No. 3491

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SUPREME COURT, U.S.

United States Court of Appeals

FOR THE SECOND CIRCUIT

UNITED STATES OF AMERICA,

Appellee,

—against—

ACY LENNON,

Appellant.

APPENDIX TO APPELLEE'S BRIEF

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Southern District of New York
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UNITED STATES COURT OF APPEALS
FILED
FEB 18 1957
DANIEL FINKELSTEIN
SECOND CIRCUIT

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Excerpts from Testimony

October 8, 1956

JOSEPH E. FORD for Government:

(305)

Re-direct examination by Mr. Bolan:

Q. Mr. Ford, in running your income tax service when, in relation to the beginning of the year, would income be earned from that service; when would the taxpayers come in to have their returns prepared? A. Approximately around the 15th of January.

Q. So on January 9th, 1951 would y u have been earning any income from your tax service? A. Not in the tax; very little, if any.

Q. So that the statement made in your affidavit (306) was a true statement, the affidavit that was just read; is that correct?

Mr. Feldman: Objection, if your Honor please, as to the form, as to whether it is true or not. That is a question for the jury to decide.

The Court: Objection sustained.

Q. Now, Mr. Ford, you testified——

The Court: You can ask him whether it was or was not a true statement, but don't put the words in his mouth.

Q. Was it or was it not a true statement? A. It was not a true statement.

Q. Well, let me rephrase the question.

The Court: It was not a true statement that he had no other money, no other income.

Q. Your sworn statement on January 9, 1951 is as follows:

"That the defendant on the other hand has only the income from his job."

Was that a true statement? A. That is a true statement.

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DAVID KENT, called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Mr. Kent, what is your occupation? A. I am a builder, and I am in the real estate business.

Q. Do you know a man named Acy Lennon? A. Yes.

Q. Do you see him here in court? A. He is sitting on the right there (indicating).

Mr. Bolan: May the record show that the witness has identified the defendant, your Honor?

The Court: Yes.

Q. You are a friend of Mr. Lennon, are you not? A. Yes, sir.

Q. Also a friend of Congressman Powell? A. Yes, sir.

David Kent—for Government—Direct

Q. And Mr. Feldman has represented you in some legal matters, has he not? A. He has represented me in one legal matter.

Q. Now, would you please state the circumstances concerning your meeting of the defendant Lennon and when it took place. (349) A. In 1951, the month of June—well, it is an involved—would you be more specific as to how or what?

Q. Well, all right. You built the apartment project known as the Dorie Miller Apartment House? A. Yes.

Q. And in connection with that building you obtained the assistance of Congressman Powell, did you not? A. Well——

Q. Well, in connection with the sale of the Dorie Miller Apartments you obtained Congressman Powell's assistance? A. I obtained his endorsement of this project, yes.

Q. Well, now, will you tell us when you first spoke to Congressman Powell about obtaining his endorsement? A. In 1951, I had been trying to sell apartments in this cooperative through some brokers, and it wasn't—the sales were not successful and——

Q. Pardon me for interrupting. How many apartments were to be sold? A. 300.

Q. And how many did the FHA require to be sold? (350) A. 270.

Q. So you were attempting to sell— A. To sell——

Q. —270 of these apartments? A. That is correct.

The Court: I take it the building had not yet been built?

The Witness: No.

The Court: And you were trying to sell them in advance so as to get a FHA loan, is that the idea?

The Witness: Yes.

David Kent—for Government—By the Court

The Court: So you wanted commitments from the people that they would purchase the apartments, and it was based upon their purchases of these apartments?

The Witness: Yes, and I could then go to the FHA and say I have 270 or 300 purchasers.

The Court: Right.

The Witness: and then the FHA would then——

The Court: Loan the money?

The Witness: Loan the money.

The Court: And then you could go ahead with the building?

The Witness: That is correct.

The Court: All right.

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By Mr. Bolan:

Q. And you had been unsuccessful in this endeavor prior to the time that you met Congressman Powell, is that correct? A. Yes.

Q. All right. Will you proceed with when you met Congressman Powell and what happened? A. I realized some time in June of 1951 that I would have to perk up sales if this place was to be built.

I called the Urban League, and I also called Congressman Powell, realizing that to my mind those were the two leading factors in the Negro population, and if I could get help from either one of them I could then proceed with the sales of these apartments.

Q. Dorie Miller was to be an interracial project? A. Yes.

Q. Is that right, sir? A. That is right.

I went to the National Urban League, couldn't see anybody there.

I called Congressman Powell's office. I stated my purpose and I was given an appointment at his office.

(352)

Q. And did you see him? A. I had an appointment—I went up to his office in Room 2 of 132 West 138th Street.

Q. That is at the Abyssinian Baptist Church, is that right? A. Yes. The first people I saw there were Mr. Hampton and Mr. Lennon.

I told them who I was and that I had an appointment with Congressman Powell, and Congressman Powell—it turned out that he was busy or he wasn't ready yet to see me, so that I spoke with Lennon and Hampton for about twenty minutes or a half hour about my purpose in being there.

Q. That was the first time you had ever met Mr. Lennon, is that right? A. Yes, sir.

Q. And will you proceed with what happened after that? Did you have a discussion with Congressman Powell as to his endorsement of this apartment house project? A. Well, yes, I spoke with him and told him that Section 231 would give Negroes an opportunity to indulge or to purchase apartments in a cooperative housing project, whereas in other projects they were—they just could not get in.

(353)

I told him that they would be the owners of those apartments and that the—well, he was familiar with the legislation, but I told him that I felt that this would be something that would be of advantage to the Negro population as a whole.

And he agreed that it would be helpful to those Negroes who would want to live in a nice area in the City of New York.

Q. And did he agree to recommend to his congregation that they purchase these apartments? A. He agreed to endorse the project, yes.

Q. And did you have any conversation with him as to who would sell the apartments? A. I first spoke—well, while I was waiting for Congressman Powell, I spoke to Lennon and Hampton about sales, especially William Hampton, and to my mind he is a very brilliant young man.

He was well aware of the economic and the sociological feature of the thing, and I told him that I was interested in somebody who would be—who would be able to handle the sales and he suggested himself.

Of course, Mr. Lennon was there, but they were both parties to this conversation.

(354)

Q. Well, I mean did Mr. Lennon participate in the conversation? A. Well, he was standing by. He was. I spoke to both Lennon and Hampton participated in it, yes.

Q. Well, did you speak to Congressman Powell when you went the next time and tell him of this conversation that you had with Lennon and Hampton? A. After I discussed with him the advisability of his endorsing this project, and he agreed to endorse it, I then asked him if it were all right with him for me to engage the services of Lennon and Hampton to handle the sales.

Q. And did you subsequently have a conversation with Lennon and Hampton as to their handling the sales? A. Yes.

Q. Incidentally, when you talked with Congressman Powell, was there any discussion as to whether the Abyssinian Baptist Church offices would be used for the sales of the apartments? A. I don't think so. There was no—that did not enter into it. I am reasonably certain that did not enter into the conversation.

Q. Well, now, did you have a conversation subsequently with Lennon and Hampton as to their selling (355) these apartments? A. Yes.

Q. And was there any mention in that discussion as to whether the Abyssinian Baptist Church would be used to sell the apartments? A. It probably did, yes. I mean I would state—well, this is about five years ago and I am reasonably certain, however, that the church, or Room 2 of the church would be used as the place where the apartments would be sold.

Q. And did you reach an understanding with Lennon and Hampton as to what their commissions would be on apartments sold by them? A. Well, the commission on apartments sold would be $15 per apartment.

Q. And did Lennon and Hampton subsequently sell the Dorie Miller Apartments? A. Yes, they sold the apartments in Dorie Miller.

Q. And how many did they sell? A. Approximately 225.

Q. Did there come a time when you paid Lennon and Hampton their commissions on the sales of these apartments? A. Well, I paid the Tenants Protective Associa-(356) tion——.

Q. Yes? A. $3,000 by check for the commmissions on the sale of 200 apartments, yes.

Q. And that check represented apartments sold by Lennon and Hampton, is that correct? A. Yes, Lennon and

Hampton, or whoever else might have been there at the time——

Q. Yes? A. —to sell them.

Q. And I show you Government's Exhibit 12 for identification, and ask you if this is the check to which you are referring? A. Yes, this is the check.

Q. And you turned this check over to Mr. Lennon, is that correct? A. Yes.

Q. And it was made payable to the Tenants Protective Association at the request of Mr. Lennon, is that correct? A. Well, it was made payable to the Tenants Protective Association because at our original discussion it was agreed that—well, it was agreed between Lennon and me that it was sold through the Tenants (357) Protective Association.

Q. Now, Mr. Kent, did you consider you were dealing with Lennon and Hampton or the Tenants Protective Association? A. Lennon and Hampton but——

Q. Did you know whether or not they were working for the Tenants Protective Association? A. They told me so. I didn't know that they were working.

Q. Did they represent themselves or did you go into the question of whether they represented themselves or the Tenants Protective Association? A. No, I didn't go into the question. They told me that the apartments would be sold through the Tenants Protective Association, and that was enough for me.

Mr. Bolan: I offer this check in evidence, your Honor.

The Court: Any objection?

Mr. Feldman: Well, I object to this, your Honor, because it would indicate that the transaction was

had between the witness and the Tenants Protective Association and not between the witness and Lennon and Hampton, as Lennon and Hampton were simply there as (358) employees or volunteers, or what have you. This is not binding on our defendant, as there has been no connection shown.

The Court: Let me see it.

Mr. Feldman: Yes, sir (handing to the Court). Your Honor, I will withdraw the objection.

The Court: You withdraw it?

Mr. Feldman: Yes, sir.

The Court: I was just going to sustain your objection and not receive it in evidence as an exhibit. I was going to sustain it subject to further connection.

Mr. Feldman: I withdraw the objection.

The Court: All right. Then it is received.

(Government's Exhibit 12 for identification received in evidence.)

Q. Did you subsequently make any other payments to Mr. Lennon for commissions sold on these apartments? A. Yes.

Q. And when was that, sir?

Mr. Feldman: Objected to, if your Honor pleases, as not within the indictment or in the bill of particulars.

The Court: What is your answer, Mr. Bolan? (359) Is it outside the indictment?

Mr. Bolan: Your Honor, it is part of the same transaction.

Mr. Feldman: No, your Honor, these means of using——

The Court: Wait a minute. Mr. Bolan is answering my question.

Mr. Bolan: There has been a question raised as to whether the money was earned by the Tenants Protective Association and the defendant Lennon.

The Court: Yes.

Q. This $3,000 payment is just one of the payments made on the original agreement, is that correct, Mr. Kent? A. Yes.

Mr. Bolan: I wish to find out about the balance, your Honor.

The Court: Whom did you make the other payment to under that arrangement?

Mr. Feldman: If your Honor pleases, I submit that this is completely prejudicial. The Government comes in here with an indictment which accuses us of receiving not $3,000 but $1500, which is apparently the $1500, one-half of the bifurcated check, and now (360) they come in with a suggestion of other transactions which are not in the bill of particulars.

Mr. Bolan: There is no charge that the other transaction is unreported income, your Honor. I request the answer merely to show the entire transaction.

The Court: For that limited purpose, I will allow it.

Mr. Feldman: I respectfully except, your Honor, because it does not state the case. They are going

all over the lot on the theory that it shows a related transaction.

The Court: Well, it has got to be closely related. All right. What is the answer to the question?

The Witness: I have lost the question.

Mr. Bolan: All right, I will withdraw the question.

Q. When you paid this $3,000 or turned over this $3,000 check to Mr. Lennon, that represented commissions on how many apartments? A. 200 apartments.

The Court: Did you actually deliver that check physically to Mr. Lennon?

(361)

The Witness: Yes.

The Court: All right.

Q. And incidentally do you know whether or not Mr. Lennon had any position with the Tenants Protective Association? A. I don't know.

Q. Now, you say that Lennon and Hampton sold 225 apartments; is that right, sir? A. Yes, sir.

Q. And did you subsequently pay Mr. Lennon what was due on the other 25 apartments? A. Yes, and some subsequent date, I don't recall when it was, we sat down and figured out the total number of apartments they sold, and I think it was agreed that 25 more apartments, which was the total number of apartments sold and for which I paid Mr. Lennon, let me see, either 395 or $400 in cash. 25 apartments would have been $375, and the twenty or twenty-five dollars was for—I think it was postage that they expended. That is my best recollection.

Mr. Bolan: Will you please mark this for identification?

(Marked Government's Exhibit 13 for identifi-
(362) cation.)

Q. I show your Government's Exhibit 13 for identification and ask you if this refreshes your recollection as to when you paid Lennon that amount? A. Yes, this is——

Q. You don't have to say what it is. Does it refresh your recollection? A. Oh, yes, April 16, 1954.

Q. That is when you paid Lennon this cash sum of approximately $400, representing the balance due on commissions earned for the sale of Dorie Miller apartments? A. Yes, sir.

Mr. Bolan: I have no further questions at this point.

Cross examination by Mr. Feldman:

Q. Mr. Kent, you were just shown a piece of paper and asked whether or not that refreshes your recollection as to the payment that you made to Mr. Lennon, is that right? A. Yes.

Q. Now, during the course of your testimony you used the expression Lenonn and Hampton, or Hampton and Lennon sold.

(363)

Now, I will ask you this: When you used the expression "sold," were you referring to them as the men who did the work? A. Yes.

Q. Now, there came a time, did there not, Mr. Kent, when you were interviewed by the Treasury Department

concerning this transaction with Messrs. Lennon and Hampton? A. Yes.

Q. That was at least some time before your appearing here, is that right? A. Yes.

Q. Now, at that time did you give a statement to the Treasury Department concerning the nature of your transaction with Messrs. Lennon and Hampton? A. Yes.

Mr. Feldman: Now, do you have that statement here, Mr. Bolan?

Mr. Bolan: I certainly do (handing to Mr. Feldman).

Mr. Feldman: Thank you.

Q. Now, I show you Government's Exhibit 13 for identification and ask you whether or not that refreshes your recollection as to whether your dealings (364) were with Mr. Lennon and Mr. Hampton, or with the Tenants Protective Association? A. The statement I made to the Internal Revenue and the fact is that I dealt with the Tenants Protective Association.

Q. So that actually——

Mr. Feldman: I will withdraw that question.

Q. Mr Kent, did you appear before the grand jury? A. I did.

Q. And in appearing before the grand jury, if you recall, was your testimony before the grand jury substantially similar to that which appears in this statement which you have before you, Government's Exhibit 13 for identification? A. As best I can recall now, it was similar to that.

(365)

Q. Now, so far as you were concerned, Mr. Kent, you were taking work away from the Tenants Protective Association, is that right? A. Yes.

Q. And was it Congressman Powell who suggested to you that the Tenants Protective Association do the work? A. He did not.

Q. Who suggested it to you? A. Lennon and Hampton.

Q. And, if you know, sir, what is the nature of the Tenants Protective Association? A. I don't know too much about it.

Q. To the extent that you do know, can you tell us? A. It is a group that as far as I know that the purpose of which is to help those who cannot get housing, get housing, and from its name itself, to help tenants against eviction, get new housing, and so forth, along that line.

Q. So far as you know, is that a church activity? A. I don't know.

Q. It operated out of the church, though, didn't it, out of the Abysinnian Baptist Church? (366) A. I don't know the organization of the church. To me it wouldn't seem to be a church activity.

Q. You mean the religious activity? A. I mean the religious—I didn't know it to be a church activity, although I had been at the church several times.

Q. Did you know that Mr. Lennon and Mr. Hampton were employed by the church? A. Yes.

Q. Did you know that Mr. Lennon and Mr. Hampton were also employed by Congressman Powell? A. Yes.

Q. At any time when you paid that $3,000 check, Mr. Kent, were you under any idea that you were paying Lennon and Hampton personally? A. No.

Q. At all times, Mr. Kent, when you paid, were you under the impression that you were paying to the Tenants Protective Association or somebody else? A. I was under the impression that I engaged the Tenants Protective Association.

Q. To do the job? A. To do the job.

(367)

The Court: Do you know who the Tenants Protective Association was, who it consisted of? Did you know that?

The Witness: I didn't know the officers, I didn't know specifically, your Honor, who the people were. I knew that Lennon and Hampton represented the Tenants Protective Association.

Q. But were you under any illusion, Mr. Kent, that you were paying the Tenants Protective Association as a blind for Lennon and Hampton? A. That did not enter my mind.

(371) • • •

Re-direct examination by Mr. Bolan:

Q. Mr. Kent, you in answer to Mr. Feldman's question stated that you gave a statement to the Internal Revenue Service and later appeared before the grand jury; is that correct? A. Yes.

Q. And in those two appearances you mentioned the Tenants Protective Association, is that right? A. I saw the reference to the statement I gave to the Internal Revenue. My recollection is that the same statement was made to the grand jury.

Q. Now prior to those two occasions you were before two other Government departments, were you not, or bodies? To refresh your recollection, you were interviewed by agents of the FBI in 1954, were you not? A. Yes.

Mr. Feldman: Your Honor, am I to understand that the Government is now attempting to impeach its own witness?

The Court: I haven't heard it was. (372) Go ahead.

Mr. Bolan: I may point out, your Honor, that Mr. Feldman——

The Court: Go ahead. I have overruled the objection. Go ahead.

Q. And later in 1954 you also appeared before a Senatorial Committee. Is that correct? A. Yes.

Q. You were questioned by the FBI as to the commissions paid by you on the sale of the Dorie Miller apartments, were you not? A. I was questioned at great length—I don't recall specifically whether that was one of the questions. It might have been. But as you just stated, I have no recollection as to any specific discussion.

Q. And the Senate? Were you questioned by the Senate Committee as to commissions paid by you to Mr. Lennon and Mr. Hampton? A. Well, do you have—oh, yes. There I was questioned specifically, I recall that.

Q. Did you tell the Senate—were you questioned under oath, sir? A. Yes.

(373)

Q. And did you tell the Senate Committee that you paid commissions to Lennon and Hampton? A. All I

could have told him was exactly what I told here, which is the facts. I mean I did, of course I paid him commissions, Lennon.

Q. Did you mention the Tenants Protective Association at all to the Senate Committee or the FBI? A. I wasn't asked.

Mr. Feldman: Your Honor, I object. This is obviously an attempt at impeachment.

The Court: I don't see that there is any attempt to impeach at all. I overrule the objection. He said he wasn't ask that question by the Senate or the FBI.

Q. You say that you had a conversation with Congressman Powell in which you told him that you wanted to employ Lennon and Hampton to sell the apartments, is that correct? A. Yes.

Q. Did you ask the Congressman for the suggestion as to who you should employ as sales agent? A. I did not.

(374)

Q. Did you tell agents of the FBI on July 8, 1954——

Mr. Feldman: Your Honor, I object to this. The minutes are——

The Court: Let the question be finished. I can't rule on a question until I have heard the question.

What is the question?

Mr. Feldman: Yes, but——

Q. Did you tell——

Mr. Feldman: —if the content is improper I have a right to object. With Mr. Bolan standing here leaning on the jury box and looking at a

photostatic copy, obviously reading from something and saying, "Did you tell," I think it is highly improper.

The Court: I will let Mr. Bolan finish the question.

What is the question?

Q. Did you tell agents of the FBI on July 8, 1954 that the appointment of Lennon and Hampton came about after you had asked the Congressman for his suggestion as to a sales agent and that Mr. Powell suggested these men? (375) A. I don't know that I said that.

Q. You won't deny that you said that?

Mr. Feldman: Objected to, if your Honor please.

The Court: Overruled. He said he doesn't know.

A. I don't know that I said it. I couldn't say that I did or didn't.

• • • •

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Q. The question is, did Lennon and Hampton sell the apartments for you or did Tenants Protective Association? A. Tenants Protective Association, Mr. Bolan, is something in theory. I don't know what Tenants Protective Association is. It is a corporation.

The Court: Is it a corporation?

Mr. Bolan: Yes, it is, your Honor.

A. Yes. These people said they represented Tenants

Protective. They were the ones with whom I dealt. I couldn't physically deal with Tenants Protective.

Q. The question that has been asked you several times, did you consider yourself as dealing——

The Court: What he considered—I think he has thoroughly explained who he was dealing with. I think the jury understands the situation.

Mr. Bolan: The Government has no further questions, your Honor.

The Court: Have you any further questions?

Mr. Feldman: No further questions.

(383)

The Court: All right, you are excused.

We will have a five minute recess, at this time.

(Witness excused.)

(Short recess.)

The Court: Next witness.

Mr. Bolan: The Government calls as its next witness, Mr. Paul L. Klein.

PAUL KLEIN, called as a witness in behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Where do you reside, Mr. Klein? A. 473 Franklin Roosevelt Drive, in Manhattan.

Q. Do you know a man named Acy Lennon? A. Yes, sir.

Q. Do you see him here in court? A. Yes, sir.

Q. Would you identify him, please? A. He is the man on my extreme right of the large table there.

Mr. Bolan: May the record show that the witness has identified the defendant.

(384)

The Court: Yes.

Q. Is Mr. Lennon a good friend of yours? A. I would say so, yes, sir.

Q. And is also Congressman Powell? A. Yes, sir.

Q. Now did there come a time in the year 1952 when you approached Congressman Powell for a loan of $3,000? A. I am not sure, sir. I have no personal recollection of that, but I have been told that it did happen, and I have no reason not to believe it. I just don't recall it.

Q. Did there come a time in connection with that loan that at Congressman Powell's request you went to see the defendant Lennon to obtain this $3,000 from him? A. I have no recollection of that, sir.

Q. Have you been told it happened? A. Excuse me?

Q. Have you been told that that did happen? A. Yes, sir.

Mr. Feldman: Your Honor, may I object as to what the witness was told as pure hearsay?

The Court: What you mean to say is that (385) if you borrowed three thousand you would forget it?

The Witness: I don't think so, sir. But I don't recall it too——

Q. Well, now, Mr. Klein, did you submit a signed statement under oath to the Internal Revenue Service on May 9, 1955? A. I can't answer for the date, but I did make a statement, yes, sir.

Q. And did you also appear before the grand jury on September 15, 1955 and give testimony under oath? A. Again without being sure of the date, I did make an appearance before a grand jury, yes, sir.

Q. And you were asked the questions about this loan that I have just asked you before the grand jury, were you not? A. I recall so, yes, sir.

Q. And your answers were different than those you have just given, is that correct? A. Yes, sir.

Mr. Bolan: Your Honor, I request permission to examine this witness as a hostile witness.

Mr. Feldman: Your Honor, I don't see any hostility at all. All we have here is a witness (386) who apparently is wishing to recant, that is all.

The Court: I haven't see any question of wishing to recant. The witness seems to have a lapse of memory, from all I can see.

Show him the statement and see if that refreshes his recollection.

(Government's Exhibit 14 marked for identification.)

Q. I show you Government's Exhibit 14 for identification and ask you if this refreshes your recollection as to the signed sworn statement you gave to the Internal Revenue Service? A. Yes, sir.

Q. I call your attention to a second sheet there, too, Mr. Klein. A. Oh, I am sorry.

Q. And ask if that was submitted by you on the same day that you signed the other statement? A. Yes, sir.

Q. Now when you signed those sworn statements did you sign them knowing the statements therein to be true? A. I believed them to be true, yes, sir.

Q. And has something happened since you signed (387) those which caused you believe they are not true? A. I can't answer that yes or no. Which caused me to realize, things happened which caused me to realize that I do not know them, that I do not have any present recollection of the facts.

Q. Let me ask you this:

In these signed statements to the Internal Revenue Service you stated that certain things took place; is that right, sir? A. Yes, sir, in that statement, yes.

Q. And now I ask you did the things that you said took place in that signed statement actually take place? A. I don't recall them as having taken place.

The Court: Did you recall them as having taken place at the time you signed the statement?

The Witness: Yes, sir.

The Court: At that time you had a recollection of them?

The Witness: Yes, sir.

The Court: Now what is the date of the statement?

Mr. Bolan: May 9, 1955.

The Court: That is just a little over a (388) year ago.

The Witness: Yes, sir.

The Court: And at that time you recalled those things as having taken place?

The Witness: Yes, sir.

The Court: What you said was true in that statement, it was your recollection at that time?

The Witness: Yes, sir.

The Court: Have you suffered any illness in the past year?

The Witness: No, sir. I have—suffered isn't the word—I have gone through long contemplation about the state of my memory at that time, concluded as I told Mr. Bolan, told him that I just didn't think I could stand behind that statement, that I don't know it to be true. I have no reason to not believe it, except that it sounds silly for me to forget it, but I can't imagine that I would have forgotten it.

The Court: If it was true a little over a year ago you say now that something has happened which makes you realize that it was not true or that you just now forget?

The Witness: Can I try to answer that in (389) my own words?

The Court: Yes.

The Witness: I have no recollection of the events having transpired as I thought I recalled them. On the other hand, since a friend and friends of mine told me that that was what happened, then it was—I had a period when I was in a very perplexed and unhappy state of mind, I accepted their recollection as my own and honestly thought it had happened. But there were too many gaps in my own memory to satisfy me, and when I continued to think about it I just find myself impossible of saying that I recall it.

Mr. Bolan: Just to fill out the picture, your Honor. This statement was given in May 1955.

By Mr. Bolan:

Q. You appeared before the grand jury in September 1955, is that correct? A. Probably the date.

Q. And you testified along the exact same lines as given in that sworn statement, is that correct? A. Yes, sir.

(390)

Q. And then thereafter your friend, Mr. Lennon, was indicted, is that correct? A. I don't know the date of his indictment, not actually or relatively.

Q. Well, he was indicted the first time in October 1955. And now some time after Mr. Lennon was indicted you came to the conclusion that you had no recollection as to these things you had testified to and had given sworn statements about; is that right? A. Yes, sir.

Q. Now you mentioned that you talked to some friends of yours who told you that these things happened. Who were those friends? A. Mr. Lennon and Mr. Hampton.

Q. What did Mr. Lennon tell you and when? A. Subject to not having an exact quotation of course, but can I try to give you the picture of what happened?

Q. Yes. A. Some time in the, I think the early Summer, probably, of 1955, I received a call from a man whose name begins with "B" in the Internal Revenue.

(391)

Q. Mr. Bulson, is that correct? A. Bulson that is. And he asked me to come down. I can't remember exactly what he said.

He said he wanted to talk to me, something about a loan from Mr. Lennon or Congressman Powell to me.

I said I would be glad to speak to him. I didn't remember anything about any such loan.

(392)

And I called up Mr. Lennon and said, "Mr. Bulson wants to see me. Something about a loan." He said, "Sure, let's talk about it."

I went up, I think to the church, I wouldn't swear to that; I met Mr. Lennon and Mr. Hampton some place, and said, "Now, what is this all about?"

They said, "Well, don't you remember in 1952 when you were pretty broke"—and that was certainly true, and something I remembered sadly—"you were hard up for dough, and you asked the Congressman if he could loan you some."

That didn't surprise me. I didn't remember it particularly, but it wouldn't have surprised me if I had.

And to go on with what they told me, roughly, he said, "There might be some money available in one of the community service funds" of his organization.

Q. Congressman Powell said this? A. Yes. So, in a sort of indirect quotation, continuing: "You came here to us." I don't know which one of them said "to us," either Mr. Hampton or Mr. Lennon. "And we gave you a check for three thousand just about the time he went to Chicago for the convention of that year."

(393)

So I remember nothing about it. But it sounded plausible in every respect, except that I did not remember it, and I thought I would certainly remember a loan of that sum, especially when I was broke.

I said, "What did I do? Did I sign an IOU or something?"

They said yes.

I would like to put into the context that these were two pretty good friends of mine recalling to mind an episode and my conclusion seemed to be a clear recollection on their part. I had every disposition to believe it.

I was troubled by the fact that I couldn't remember it.

But as I thought about it and listened to them and thought about it in the time before I saw Mr. Bulson, I thought that I myself remembered it. If I could sort of coin a phrase, I promoted, in quotes, a recollection of someone else into my own memory, and so I believed it.

I didn't give much more thought about it. As a matter of fact, I knew so little about the whole thing, I thought the question was whether I had borrowed three thousand and hadn't paid it back, which (394) might have made it income, and I offered to Mr. Bulson to pay retroactive tax on it. He said that was not the issue.

Q. This was in May, 1955? A. Sometime in the early part or early spring.

Q. Yes. A. Yes.

Q. Four months later you appeared before the grand jury and your state of mind was in the same condition as it was when you gave Mr. Bulson the signed statement? A. Yes. I might say I think it was largely again —I think you interrogated me.

Q. That is right. A. It was largely that. I confess to——

Q. Did you say in the grand jury a lot of things that Mr. Lennon and Mr. Hampton didn't tell you? A. Didn't tell me?

Q. Yes. A. I don't recall any. It's possible.

Q. Didn't you testify in the grand jury that you went to Congressman Powell and asked him for a $3,000 loan? A. I don't recall; but that would have been in (395) the general nature of what I thought were the facts. I am sure he didn't just volunteer it.

Q. Didn't you testify that Congressman Powell told you to get the money from Lennon and Hampton? A. I think so, yes, sir.

Q. Didn't you in the grand jury testify that you needed money badly at the time? A. Yes, sir.

Q. Didn't you at great length as to why you wanted the money and to whom you paid it after you got it? A. I believe so, yes, sir.

Q. Did Mr. Lennon tell you that those were the people you pay the money to? A. No, sir, not that I recall.

Q. Where did it come from? All the people you told us in the grand jury that you paid the money to?

Mr. Feldman: Your Honor, I submit at this point that there is an obvious attempt at impeachment of the witness that the Government has——

The Court: No. He still is trying to revive what seems a sort of strange lapse of memory of a man.

(396)

Mr. Feldman: I wish to point out to the Court that my concern here is with the defendant as much——

The Court: I know it. Here is a man who apparently does now—you have no recollection, of these things at all concerning which you testified?

The Witness: Sir, if I might say, not a lapse of memory but actually a correction, if I am correct in saying that it is a correction, of an erroneous memory of fairly recent date. I would describe it as reverting to what my actual facts at my disposal are, namely, that I do not recall any such episode or loan in 1952. That I, because of the disposition to accept what friends told me and a disposition I still would have of accepting as my own memory their memory, and then realizing that I

couldn't make that stand up in my own mind, that it wasn't my own thinking, and I had to face that fact.

Mr. Feldman: Your Honor, I point out that there is a very highly prejudicial situation coming here now. If this is the place where Mr. Klein has come to relieve his soul, I sympathize with him, but I point out that I represent a defendant, and a highly prejudicial atmosphere is being created.

(397)

The Court: If a man has made sworn statements before the grand jury and now comes in and says to the United States Attorney, "I go back on those statements, those aren't true statements," I think then certainly, and I would assume, the United States Attorney's office is somewhat taken by surprise, and in that he has a right to examine the man.

Mr. Feldman: I think the Court could appropriately inquire and I think the Court should whether or not before the United States Attorney put this witness on the stand the United States Attorney knew that the witness was going to so testify.

The Court: That doesn't make any difference. If this man swore to something before the grand jury and now comes in and says that was not true and that is part of the evidence that the grand jury heard, and the man wants to recant that testimony, that man is then an apparently hostile witness.

Mr. Feldman: The difficulty I have is that I don't know with what situation I am dealing.

The Court: Neither do I. I don't know what it is he testified to here, what he wants to testify to now. I think we had better find out.

Colloquy of Counsel

Mr. Feldman: One of the issues in any trial (398) is the stability of a witness. And I point out to the Court that if this witness doesn't meet that test and my client is prejudiced thereby, we have been seriously hurt.

The Court: Of course the credibility of a witness is for the jury to decide, taking into account all of the evidence in the case. I don't quite understand what it is the witness now wants to testify to or what he testified to before.

If he says he swore falsely before the grand jury, why, certainly the United States Attorney has a right to find out what the truth of the matter is. He has a right to cross examine him as a hostile witness.

Mr. Feldman: Yes, but the truth of the matter, as it affects us, and that is the point, is the United States Attorney in a position to now state before the Court that this witness will, when questioned, offer testimony hostile to the defendant?

The Court: I don't know.

Mr. Feldman: Neither do I.

The Court: Let's ask the question and find out. I am going——

Mr. Feldman: We have a jury sitting here.

(399)

The Court: That is all right. I am going to allow the question to be asked so that we can find out what the truth is in this matter.

Mr. Feldman: I most respectfully except.

The Court: All right.

Paul Klein—for Government—By the Court

By the Court:

Q. What is your business, Mr. Klein? A. I am working for the City as a staff member of the Committee on Intergroup Relations.

Q. Is that a governmental job? A. Yes, sir.

Q. What was your job before that? A. Which period, sir?

Q. Immediately before this job what job did you have? A. I was doing similar work for a private agency in New York, in their Cleveland field office, the Jewish Labor Committee.

Q. What was your job before that? A. Well, I was doing independent consulting work in the same field, but earlier in 1952 I worked with the predecessor of the present City Commission, which was a semi-official body called the Mayor's Committee on Unity.

(400)

Q. What is your educational background? A. I attended Cornell University for an undergraduate degree, Columbia for a law degree in administrative law.

Q. Did you get a law degree in Columbia? A. Yes, sir.

Q. What year? A. '48.

Q. Have you practiced law? A. No, sir.

Q. Are you admitted to the bar? A. No, sir.

Q. You knew what it was when you were appearing before the grand jury, though? A. Yes.

Q. When you were being questioned by the Bureau of Internal Revenue, you knew that? A. Yes, sir.

Mr. Feldman: May I address the Court at the bench for a moment?

The Court: Do you have any objection?

Paul Klein—for Government—Direct

Mr. Feldman: I would just like to discuss the question with the Court, if I may, before I burden the record.

(201)

(Conference at the bench between the Court and counsel, off the record.)

By Mr. Bolan:

Q. Mr. Kent, do you recall borrowing or asking Congressman Powell for a loan of $3,000 in 1952? A. I guess you mean me. Klein.

Q. Mr. Klein. I am sorry. A. No, I do not, sir.

By the Court:

Q. Did you borrow $3,000 from— A. Not to the best of my recollection.

Q. Did you borrow any $3,000 from anybody in that year? A. Not to the best of my recollection, sir.

Q. Were you broke in that year? A. Yes, sir.

Q. Did you go to Chicago in that year? A. Yes, sir.

Q. You said you went to the convention. A. Yes, sir.

Q. What convention? A. Democratic National Convention.

Q. Where did you get the money from? A. I was on the staff of then Candidate Harriman (402) and just signed bills. I had no expenses other than——

Q. But you didn't borrow any money from anybody? A. Small sums from friends, yes, sir.

The Court: Go ahead.

By Mr. Bolan:

Q. Did you get a check of $3,000 from the Tenants Protective Association from Mr. Lennon? A. Not to my recollection.

Q. Did Mr. Lennon tell you in recent months that he gave you such a check? A. By recent months you mean——

Q. At any time did he tell you? A. Yes, sir. I am not sure either Mr. Lennon or Mr. Hampton.

Q. Told you that they gave you a check for $3,000 from Tenants——

Mr. Feldman: I think at this juncture, whether it be Lennon or Hampton, is a vital issue.

The Court: It might be important, yes. Go ahead.

Q. Did you appear in my office, Mr. Klein, a few months ago? Did you? A. Yes, sir.

Q. Was anyone else present when you talked to me? (403) A. Yes. I think, either a Mr. Emanuel or Manuel, identified to me as being with the Revenue Department, Revenue Service.

Q. Did you tell us then that Mr. Lennon had told you about this transaction? A. I don't know if I said Mr. Lennon or Mr. Hampton. But if I said one or the other, I should have said the situation in which both were present.

Q. Mr. Lennon in any event, whether he said it or not, was present when Mr. Hampton said this, is that right? A. Yes, sir.

Q. Now, getting back to the question I asked you before, you say that when you testified before the grand

jury and gave these sworn statements to the Internal Revenue Service, the statements there were not based on your own recollection but were based on the recollection of Lennon and Hampton, is that correct? A. Yes, sir. I thought they were mine, but they were not.

Q. Now, I ask you whether you recall testifying in the grand jury that you used part of the $3,000 you got from Powell through the Tenants Protective Association to pay various people that you owed money to? (404) A. Yes, sir. Something——

Q. Did Mr. Lennon tell you that that is what you did with the money? A. I don't think so, sir, no. I think it came from my trying to account for this money that I couldn't remember and just saying what in the world I could have done with it, because these two friends had told me this had transpired and I felt I was just being a darn fool by not remembering it.

The Court: Did you think you were helping them out by telling that story?

The Witness: I didn't have any opinion about that, sir. I accepted their story as related to me.

The Court: Did you tell the grand jury that you were merely giving somebody else's story to them?

The Witness: No, sir, I believed at the time that I knew it. And it was questions essentially raised—the questions raised by Mr. Bolan at the grand jury that made me realize I just couldn't say that I knew this. It was too silly to me to think that with all these questions I couldn't answer essentially, that I was trying to guess at, but I just plain didn't know this to be the fact, and if I was wrong in maintaining it, if I did maintain it,

which (405) is why I asked Mr. Bolan, to see him, and tell him that my recollection wasn't as previously stated.

Q. After Mr. Lennon was indicted you came to my office, is that correct? A. I don't know, sir.

Q. If I tell you Mr. Lennon was indicted in October, 1955, would you be able to state whether it was after his indictment that you came into my office? A. Only if you tell me the date that I came to you, and I don't just— —

Q. You came to me a few months ago, didn't you? A. Yes, but I didn't know it. I am willing to grant it. I have no quarrel with it. I just don't know how—sort of trying to avoid the previous foolishness that I had done of saying yes to something which I didn't——

Q. As a matter of fact, after you saw me, you wrote me a letter, too, didn't you? A. Yes, sir.

Q. This was in April of this year? A. Probably.

Q. Do you recall having any dealings at all with the Tenants Protective Association? A. Any dealings with them?

(406)

Q. Financial dealing. A. No, sir.

Q. I show you Government's Exhibit 15 for identification, and ask you if this refreshes your recollection in any way, without specifying what that is? A. May I turn it over?

Q. Yes. A. No, it does not, sir.

Q. I show you Government's Exhibit 14 for identification, and ask you if that is your signature on the first page and on the second page? A. Yes. I recall signing it.

Mr. Bolan: Your Honor, I offer this in evidence at this time.

The Court: Any objection?

Mr. Feldman: No objection, your Honor.

The Court: All right. Received in evidence.

Mr. Bolan: I would like permission to read this to the jury.

The Court: It is not marked yet.

(Government's Exhibit 14 for identification received in evidence.)

(Mr. Bolan reads Government's Exhibit 14 to 407) the jury.)

Q. Now, Mr. Klein, did you live with Congressman Powell for two months in Westhampton in 1952? A. Yes, sir.

Q. Did you assist him in the campaign? A. Yes, sir.

Q. You are very close— A. I hope it was assistance. I participated anyway.

Q. You are very close personal friends? A. Yes, sir.

Q. Do you have any recollection of a note being given for any amount of $3,000? A. No, sir.

Q. Well, now, after Mr. Lennon was indicted and after you suddenly realized, or realized, I should say, that what you had testified to in giving the sworn statements about actually was not within your own recollection, did you go and have a conversation with Mr. Lennon about this? A. I don't know if I saw him personally or called him. Roughly what I remember is that about the same time he asked me to see his attorney anyway. I can't account for a chronology of the days.

(408)

Q. Before you came to me, you told Mr. Lennon's attorney about this lack of recollection, is that right? A. Yes.

Q. Nor, Mr. Klein, do you remember these questions being asked you and your giving these answers in the grand jury hearing:

"Q. Did you borrow the sum of $3,000 in 1952? A. Yes, sir.

"Q. Will you tell us from whom you borrowed that money and the circumstances surrounding the loan? A. Well, I was in financial difficulties, having been unemployed for some time, and I asked a friend of mine, Congressman Powell, if he could help me out temporarily, and he said he did not have the funds, himself, but that perhaps one of his organizations would. I'll explain that if you want. He has several community organizations of which he's chairman or the guiding force.

"Q. Would you briefly explain that, sir? A. Well, as I'm the sure the jury knows, the Congressman is also a minister, and I guess in both capacities—it's fairly hard to draw the line—engaged in a number of community functions to improve the com- (409) munity and give aid to constituents and other people. Has several groups. One is the People's Committee of which, I believe, is chairman. I don't know there are any written detailed functions of that organization, but it's generally set up to help the community in whatever way it could. Then there's the Tenants Protective Association, I think is the exact name—I just call it the Tenants Group in referring to it—which essentially, I guess, was set up to help people get apartments, I think, to help them in case of rent violations,

generally to help people of the community in their real estate problems. Then there have been a couple of occasional committees set up for one purpose of another. I think we had one on fair employment in the radio industry.

(410)

"Q. Are you active in these various committees? A. Well yes. I'm not sure at any give tie—it wasn't spilled out who I was active with at a given day. My dealings were largely with—directly with—Congressman Powell and with a few of his staff people, and if there was a meeting, I frequently wouldn't know exactly which hat we were wearing at the meeting.

"Q. Have you ever acted as his secretary? A. No."

Mr. Feldman: Your Honor, at this point may I interrupt and ask how all of this is binding on the defendant?

The Court: Well, the question is whether this refreshes this witness' recollection and also whether it is true. He now apparently says that he swore to something in the grand jury that he had no recollection of. I think he can continue reading the questions.

Q. "Q. When you asked Congressman Powell for the $3,000 loan, did you ask him specifically for $3,000 or did you ask him for some other amount? A. I don't really remember. I think— and this is really just a guess based on my recol- (411) lection of the situation—that I tried to figure out about what I'd need to get myself straight with some friend who had been supporting me.

"I tried to figure out about what I'd need to get myself straight with some friends who had been supporting me"——

Mr. Bolan: Well, that has been repeated by mistake twice, and then the answer continues: "and a little bit more to keep going until I could get a job.

"Q. And what happened? Did he give you the names of some people to see or some organization? A. Yeah; I think, in general, I think it was just a question of See Mr. Lennon or Mr. Hampton.

"Q. Did you know Mr. Lennon or Mr. Hampton? A. Yes, I had seen them very frequently at these community meetings and frequently had sat with them to plan things on the Congressman's behalf, so I did see them and I assume—I want to make it clear, it's just a guess—that he also spoke to them and said, 'It's OK, if you have the money in the treasury,' to lend it to Klein.

"Q. Did you ask him for a specific amount? A. I think at that time in discussion we may (412) have boiled it down——"

Mr. Feldman: Again, your Honor, I renew my objection. The issue here is whether or not my client received $1,500 and did not report it as income.

The Court: That is the issue, and the issue admittedly further is whether this money which went into the Tenants Protective Association became his money.

Now, if this has some bearing upon it why it is relevant.

Mr. Feldman: I respectfully except because there is no such relevancy at all, your Honor.

The Court: Well, the reading isn't over yet. How do we know?

Mr. Feldman: Well, we have to deal with it as it comes up, and determine what relevancy is there here.

The Court: There is sufficient relevancy to allow this reading to refresh this witness's recollection which seems strangely deficient.

Mr. Feldman: Strangely deficient or not, the witness has testified that he has no recollection.

(413)

The Court: I know. Well, if he had a recollection a few months ago and he now says he has no recollection, certainly the testimony that he gave before the grand jury may be read into the record to see if it refreshes his recollection.

Mr. Feldman: I respectfully except and point out to the Court——

The Court: All right.

Mr. Feldman:—that his testimony before the grand jury is now being read by Mr. Bolan, and such reading does not involve my client nor does the testimony in this court involve my client.

The Court: We will see. Go ahead.

Mr. Feldman: Exception.

Q. "Q. Did you ask him for a specific amount? A. I think at that time in discussion we may have boiled it down——

"Q. In discussion with Congressman Powell? A. Yes, about what I'd need, but to be frank, it may not have been exactly that. I may have decided what I needed, or wanted a little more, and that may be all they figured they could do, $3,000.

"Q. Will you tell us exactly what you said to (414) them

as far as you can recall, and what they said to you? A. Well, only in course of the nature of what we discussed, I don't remember the detailed conversation. I didn't really unfortunately have to tell them my sad financial plight. It was pretty evident and they knew it; in fact, from time to time, offered me suggestions or at least sympathy when I was job hunting.

"Q. Did you see the two of them together? A. I would say probably most of the time I did. I am sure I have also seen them separately. I guess essentially what I said was I approached the Congressman for a loan and thought if you guys have it available in one of the funds he could lend it to me. Whether they had been briefed by him beforehand and knew what they had or whether they then looked up in the checkbooks, I couldn't swear, but in any case, they did say $3,000 was available and they would lend it to me.

"Q. Available from what source? A. Well, I didn't recall this in my recent conversation with Mr. Wilson"——

Mr. Bolan: It should be Mr. Bulson.

(415)

A. But I'm fairly sure it was the Tenants' Protective Group.

"Q. Tenants' Protective Association? A. Yes?

"Q. And did they draw a check to you? A. Yes.

"Q. And did they draw a check to you? A. Yes, I believe they gave me a certified check. Now may I explain my vagueness on that for a moment?

"Q. Certainly. A. This was towards the end of July or the very beginning of August of '52. I had been spending some time with Congressman Powell in his Long Island home where he suffered a ——

"Q. Where is that? A. West Hampton Beach, and he had suffered, well, I guess, a heart attack simply. I don't know the medical terminology. It turned out to be a scare of a heart attack really.

"Q. You lived there with him? A. Yes; I didn't move in exactly, spent three or four days at a time, and another three or four days at a time, over a period of couple of months, (416) I guess. I would run into the city to chase down a lead for a job and would slink back to West Hampton kind of disappointed. In any case, he got laid up and his doctor said he couldn't move around and had to stay completely still as possible to recuperate.

"Q. Do you recall requesting the loan of Congressman Powell at West Hampton? A. No, but I would be pretty sure it was me if it came after the heart attack, particularly; I don't think he left West Hampton. He wasn't preaching at the time, I don't think. In any case, because he was laid up and because I was unfortunately free at the time, I handled a number of affairs for him and I would go into the city and deliver papers for him or get papers and cash checks for him and probably maybe I think once or twice, at banks near his church but more frequently at the two banks where I had accounts in Manhattan already and this is why I am vague. I don't have the exact date of the loan; everything was pretty hectic, the Congressman was supposed to go to Chicago for the Democratic National Convention a week or so ahead of time and because of the medical situation I went in (417) his place, and as you might imagine, I was in a mad rush and I did take some papers, and I think some checks I either took or they were sent to me to hold for him and he cashed for him in Chicago. So the two banks which I did cash some checks out in Chicago, I guess it's called the Stock Yard Bank. In any case it's out at the stock yards where

the convention was held, and there was a bank in the Palmer House where we were living; or possibly—I don't think a check of this size—I might have cashed where our offices were at the Conrad Hilton, but I doubt I would have the nerve to go up to a hotel clerk and ask for $3,000.

"Q. You are not sure it was certified? A. My recollection is it was certified which strengthens my belief that I might have cashed it in Chicago even as a stranger. Excuse me, may I smoke here? I didn't know whether it was proper or not. May I smoke?

"Foreman: Yes, sir.

"Witness: Thank you.

"Q. Did you cash the check? Are you sure you cashed it? A. I am sure I did because I was able to pay back a number of friends"——

(418)

Mr. Feldman: Your Honor, may we not have this dramatic type of reading?

The Court: All right, and let us not have this dramatic type of interruption then.

All right, go ahead.

Mr. Bolan: (Continuing:)

"A. I am sure I did because I was able to pay back a number of friends who had been kind to me in the months previous, and since I had no income at the time I know I got it some place and that's the only place I could have gotten it. I say I am sure I cashed the check. The trouble in my mind is since there were other checks I was cashing at the time that were also associated with the Congress-

man, that I don't remember which check I cashed where. It would have been either the Corn Exchange Bank here on 72nd Street and Columbus Avenue, Central Savings Bank at 73rd Street and Broadway or one of the two Chicago banks.

"Q. What did you do with the $3,000? A. This is embarrassing, sir. I had been out of work for some time and a number of friends had, to put it quite baldly had supported me, and just general expenditures.

(419)

"Q. Did you pay them in cash? A. Yes, yes, I am sure.

"Q. Will you tell us who they were, and approximately how much you paid them? A. Yes, sir. One friend, I don't know the amount, but I am sure, was the major stockholder in my disabilities, and the gentleman's name Howard Gamser.

"Q. What is his address? A. 357 Bleecker Street in New York.

"Q. And how much did you pay him? A. Gee, I don't know. I toted up a good number of hundreds of dollars with him.

"Q. Approximately? A. It would really be a meaningless guess. I'd say in the nature of $500 or more.

"Q. Who else did you pay? This was in cash? A. Yes, sir. Well, there were small amounts in the general nature perhaps of 25 or 30 dollars to young ladies whom I had been keeping company with and who sometimes I would be stuck when a bill would come up.

"Q. How much would that total? A. I doubt if that would be another $100. (420) There was one gentleman whom I would very much ask not to have to name because of a very decent thing he did for me but which I understand may not be under State regulations quite proper and

that was a neighborhood tavern where I spent some time, I can say, for public relations' reason. I used it to make phone calls from and to escort people to and sometimes even when I was trying to be friendly with someone in a business sense and develop a business relationship with, and occasionally ate at this same place and the proprietor allowed me, well, technically, not to run up a tab but actually lent me money with which to pay tabs and his establishment. I'd say couple of times that got up over $100 and I would very much, very sincerely ask that I not have to name him.

"Q. Well, how much did you pay him? A. I—general recollection—probably paid him off about $100 right after cashing this money and then after paying some other money and allowing a little money for me to see ahead on probably paid him another 100 or so. These are again all guesses. He would keep, I am pretty sure he kept a record (421) either on paper or in his head about what I owed him.

"Q. What is his name, sir? A. I'm sorry, sir, I don't feel I can answer that.

"Q. You understand that the proceedings here are completely secret? A. I'm sorry, I don't feel I can answer that.

"Q. What is the reason for not answering it, sir? A. I'm—I understand that it' against the State Liquor Law in New York to credit customers. In fact, I think, technically, I think it's illegal for a man to buy a woman a drink in New York because the law reads each customer must pay for his or her own drink.

"Q. We'll defer request on that for the moment. A. Well, sir, I say this. I don't like this position but I would certainly on leaving here ask the person involved whether he would mind. I'm afraid he would mind.

"Q. Of course you know that is no valid excuse for not answering the question. A. I know but it's something I would have to (422) take the responsibility for rather than shifting it to anyone else, sir.

"Q. Did you pay anyone else any money? A. I don't remember for sure. I—from time to time—borrowed sums from my father and whenever possible paid him back and I would imagine that about that time I had some money I owed him and probably paid him something between 100 and 250 dollars, but I don't know for sure that that particular loan I made enabled me to pay him at that time.

"Juror: Were these events in approximately June of '52?

"Witness: No, sir. Some were between, I'd say, between July 15 and August 15. I date this by the Chicago episode.

"Juror: Where were you living at that time?

"Witness: 101 Central Park West in the home of my parents.

"Juror: Living with your parents there?

"Witness: Yes, sir.

"Juror: It was their apartment. You were not paying for the apartment?

"Witness: That's right.

(423)

"Q. Did you pay any sums at that time? A. I think not except some gasoline bills for my car which I had charge accounts for.

"Q. What did you do with the balance of the $3,000? A. Well, I did not get a steady job or for that matter any

job, I guess, until February of 1953 and I guess in the words of the old story, I squandered the rest.

"Q. Did you put it in a bank account? A. I don't remember for sure. I would imagine that I put some of it in more likely the checking account since it wasn't likely to stay very still in the savings account. That would be the Corn Exchange Bank. I think it's called the Hudson Branch at 72nd Street and Columbus. I don't know for sure, but I just imagine rather than keeping—I don't think in a number of years I have had that much cash in my hands for any length of time, so I am pretty sure I put it in a bank.

"Q. That would be over $2,000? A. I guess so, yes, sir.

"Q. Aren't you sure? A. No.

(424)

"Q. You don't recall having approximately $2,000 after paying off these debts? A. Well, I just assume I did. I don't remember the balance at a given date or what I had in my pocket.

"Q. Is it possible you cashed the check at West Hampton when you were with Congressman Powell? A. Possibly; only reason I say no is I have no recollection of having gone to that bank. In fact, a year or so ago when I was in that area I went to that bank and I think it was the first time I was in there.

"Q. Now when you borrowed the money from Mr. Lennon and Mr. Hampton, did you give them any evidence of the debt? Did you sign a note? A. Yes. As I recall, they had probably a form IOU note which I signed.

"Juror: Did it carry any interest?

"Witness: No, sir.

"Q. Was it paid into the Tenants' Protective Association or Mr. Lennon and Mr. Hampton? A. I'd have to rely on guess work and in recollection. I'm pretty sure it was to the Association rather than to them as individuals. (425) I think I'd remember it.

"Q. Did you get a copy of it? A. No, sir.

"Q. Have you paid back any part of it? A. I have not.

"Q. Have Mr. Lennon or Mr. Hampton asked you for any part of it since that time? A. No, sir. However, I should add they have known my job and financial situation pretty much since then too and I guess they would feel it's a question of either letting me go for a while or putting me in jail for it.

"Q. Have you had any discussions with anyone concerning this loan? A. In terms of paying it back?

"Q. Yes, sir. A. No, sir. I don't want to say that. I probably have referred to it on occasion, as infrequently as possible, because I was embarrassed but——

"Q. Well, now, did you give Mr. Lennon or Mr. Hampton or Congressman Powell any part of this $3,000 after you cashed the check? A. No, sir.

(426)

"Q. You are absolutely sure of that? A. Yes, sir. Now, as I say, I did cash other checks and so forth for Mr. Powell. There were many transactions between us, transactions where I was just really being a messenger, so there was cash money I would give him as a result of checks but never any suggestion that I was relieving my debt at all, nor would it have been a proper suggestion.

"Juror: If your total debts, as you have told the grand jury here about repaying, were roughly

$1,000—if your total indebtedness at that time was only approximately $1,000, how did you justify asking Powell for $3,000?

"Witness: Well, I had no realistic expectation of getting a job in the near future. I was trying regularly. I should add my chief desire and skills such as I may have are in the field of community organization work and budgets for those organizations are notoriously low which I can prove from person experience, and especially in the summer, I might add, there's very little hiring going on in those organizations and not too much in the rest of the year.

(427)

"Juror: Was there any feeling in your mind that as long as Mr. Powell was willing to arrange a loan for you to hit it for as much as you could get it?

"Witness: Certainly not in those terms, sir. I may have felt I would like as much as I could have so as not to have to make recurring loans and also not to have to hold up my friends who had been so generous to me in the past.

"Q. You testified here you wanted more than $3,000. A. No. I said I didn't know. I mean to say I didn't know how the 3,000 was arrived at, whether I asked—I don't think I asked for that specific sum, but it was a question of how broke I was, how broke I was likely to stay and measured up against the resources that could be made available to me. I don't think I sat down and said, 'Well, I need so and so many dollars a week,' and conjectured I'd be out of work for so many weeks.

"Q. When you needed this money, did you approach your father for a loan? A. No, sir; I did not.

"Q. Was there any reason for not doing that? (428) A. Yes, sir. I hope that what I say will be understood and not reflect on my father or his generosity, because he's an exceedingly generous man and he's been more than generous to me. I have on occasion and have then borrowed lumps of money from him. Furthermore, I was, I guess, 26, 27 years old at the time, had a lot of money invested in me by my father for education and was in a sense not justifying his hopes for me. I was single. I was socializing a lot. I was living at home under very fine conditions and with all the board and my room completely free to me, and my father very probably would have helped me out. I do not know why with this picture drawn for me there was any room for embarrassment on my part, but I did feel embarrassed asking for any more.

May I add to that in that same context, my expenses were primarily, completely, non-essentials. My car I justified and used it to run around to Washington and Chicago looking for jobs. I certainly could have traveled cheaper by train, I am sure, and the other expenses were likely those of dating and eating out, for instance, (429) with friends who largely picked up the bills, but certainly in a cold logical sense there was no excuse, no necessity for eating out when there was all the food I could possibly want in my parents' home, and a lot of it was dating, and as I said, used up on alcohol. My father is not a teetotaler, but he is also not wildly enthusiastic about drinking. While I was embarrassed to say I did not need money—I did not need money—it was for my own selfish desires.

Paul Klein—for Government—Direct

(430)

"By Jurors:

"Q. Did I understand you to testify that this work of community organization was your principal field of endeavor? A. That's right.

"Q. If that was your principal field of endeavor, from which you expected to gain your livelihood, why did you work for Congressman Powell for free? A. Friendship is the only answer I can give there.

"Q. How did you form that friendship? A. While I was employed in 1949 by a national organization interested in fair employment practice legislation in Washington, I moved to Washington on that job. The particular bill which we were dealing with was a bill introduced by Congressman Powell, and hearings on it were being held under his chairmanship. As a result, we developed an almost daily contact. Almost doesn't quite belong there. We developed literally a daily contact, so much so that for my convenience in working, partly for his benefit, it was a bill he wanted to get through, he offered me work, which was to put the bill through Congress.

(431)

"Q. That was lobbying? A. Yes.

"Q. Did you register as a registered lobbyist in Washington? A. That's right. The organization was the National Council for FEPC, and I think my title was National Director or Washington Director, and I registered as such. In the course of my relationship with Congressman Powell at that time he moved a desk into his office for me and we got to be just more than just professional acquaintances. We'd eat together.

"Q. Do you mean a Congressman of the United States

moved a desk into his office so a paid lobbyist could occupy that desk in Government buildings? A. Yes, sir.

"By Mr. Bolan:

"Q. You say that you deposited the balance of approximately $2,000 in your checking account? A. No, I am not sure. I assume that's what I would have done.

"Q. Is there any reason why you would not have done it? A. None, except the convenience of having cash, but that much cash I wouldn't think of as convenient."

(432)

"Q. Was there any question as to the propriety of the Tenants Protective Association loaning you this $3,000? A. Not in my mind.

"Q. Why is that? A. It just never occurred to me as a question of propriety. It was a functioning organization which presumably on its judgment was in a financial position to enable it to make the loan and did so.

"By Jurors:

"Q. A loan which you did not at that time know how you were going to pay back? A. Yes, sir.

"Q. And which you have not to this day paid back? A. Yes, sir.

"The Foreman: I will ask the witness to be excused for a moment and stand by in the outside room."

Mr. Bolan: Your Honor, no further questions.

The Court: Let me ask the witness: Do you remember that testimony that was just read?

The Witness: Yes.

The Court: Was that testimony true?

The Witness: Do you mean is it true that I gave it?

(433)

The Court: First, is it true that you gave it?

The Witness: Yes, sir.

The Court: Secondly, are the things you testified to there true?

The Witness: To the best of my recollection. Well, let me say this: Everything, the description of my own personal affairs is my present recollection as well as my recollection there.

The statements regarding the loan were my recollection then and are not my recollection today. I just don't recall those things as having taken place.

By Mr. Bolan:

Q. When you testified before the grand jury, was it your recollection that you paid this Mr. Ganser some money out of the $3,000? A. Yes, sir. I forget whether it was just before or just after that. I know before that, because the question you had asked me, Mr. Bolan, I was trying to figure out and I inquired what I had done with it, and either just before or just after my testimony I spoke to Mr. Gamser, and he remembered vaguely that I paid him back substantial amounts in the summer of 1953.

Q. Now, have you talked with anyone in an en- (434) deavor to have your recollection straightened out? A. Yes, sir.

Q. Have you talked to Congressman Powell and asked him about this incident? A. Yes, sir. When you suggested that to me after——

Mr. Feldman: Your Honor, I object to any testimony showing that this witness had a conversation

with Congressman Powell as not being binding on us.

The Court: The fact that this witness talked to Congressman Powell may not be binding on your client at all. We do not know yet. Go ahead. Do you expect to connect this?

Mr. Bolan: Yes, of course. I would like to ask the substance of the conversation, your Honor.

The Court: Go ahead.

Q. But was this the first time that you talked to Congressman Powell about this transaction that you testified about? A. As far as I remember.

Q. Well, now, when Mr. Lennon and Mr. Hampton came to you when Mr. Bulson asked you to appear and they told you you remember about this $3,000? A. That is the only question I think I went to (435) them about.

Q. All right. Now, when they told you that, did it occur to you to ask Congressman Powell whether he recalled the transaction?

Mr. Feldman: Your Honor, may I at this time object? I might be a little slow in getting up sometimes, but may I at this point ask again that if there is being very specific testimony that is attempted to be offered here, whether or not this testimony has any connection with my client going in many of these things, or whether he is just lumping Mr. Lennon and Mr. Hampton together? I would like the jury to know.

Mr. Bolan: The witness said Mr. Lennon was either present or told him.

The Court: That is my recollection of what he said, but the jury's recollection, of course, will

govern. However, let me ask you, Mr. Boland, in connection with all this testimony what is it exactly that you are trying to establish about this $3,000?

Mr. Bolan: I am trying to establish whether or not it was Congressman Powell who had control over this $3,000, or whether it was the Tenants Protective Association.

The Court: Well, the Tenants Protective (436) Association, you say, was a corporation?

Mr. Bolan: A non-profit corporation, your Honor.

The Court: A non-profit corporation, and you say because of the fact that it was a non-profit corporation, that it was controlled by this defendant and Mr. Hampton, that the receipts of that corporation were properly receipts of their own, right?

Mr. Bolan: Yes, sir, your Honor. I point out also that the corporation as such had no authority to make such a loan. I am trying to find out how the money was handled, what happened to the money after it got in or when it got out of the corporation in relation to the time Mr. Lennon had received it from Mr. Kent.

The Court: Now, assuming that Mr. Lennon received the $3,000 and that it went into the corporation's bank account, of the Tenants Protective Association, this witness apparently had first stated that it was an advance to him as a loan and now he has no recollection as to what happened about it, or so he says—and that is subject to whatever the jury may think as to what he said—but have you any proof as to what happened with the $3,000?

(437)

Mr. Bolan: Yes, your Honor. I intend to introduce some additional proof as to what happened to the $3,000, but I would like to get this, if possible, since the proof involves, for instance,——

The Court: Yes?

Mr. Bolan: —an endeavor to attempt to refresh this witness's recollection to see if he can recall anything about this $3,000 at this point.

Mr. Feldman: Well, I think, if your Honor pleases, that the defense is entitled also to have a statement as to whether or not this proof which the Government says it has and intends to offer will be proof which will be binding upon the defendant.

The Court: Well, if it is not relevant proof binding upon the defendant, obviously it does not mean anything.

Mr. Feldman: Well, your Honor, we have now had two hours of irrelevant testimony with this witness.

The Court: I do not think it was irrelevant. It was preliminary proof, and that is what I am trying to find out from Mr. Bolan.

We have now reached the adjournment time. You be back tomorrow morning at 10:30. Court will (438) stand adjourned until 10:30 tomorrow morning.

Mr. Feldman: I would like to ask, with the Court's permission, that an admonition be given to the witness not to discuss this with anyone under any circumstances.

The Court: I am not going to tell him that. He can discuss it with anybody that he wants to, but

if he discusses it with anybody he will have to tell the jury whom he discussed it with if he is asked any question about it, just as he would have to state whom he discussed it with before.

I would say to the witness that you are a graduate of a distinguished law school, having been a graduate of it myself, and you know something about the responsibilities of witnesses, and also the job that you say you are holding is such that you are not unintelligent. I would seriously admonish you to think things tonight.

The court stands adjourned until 10:30 tomorrow morning.

The Witness: Any possible way of my knowing my schedule tomorrow?

The Court: You will be here as long as you are needed.

(Adjourned to October 9, 1956, at 10:30 a. m.)

(439)

New York, October 9, 1956,
10:30 o'clock a.m.

Trial resumed.

The Court: You may call your witness.

Mr. Bolan: Mr. Klein, please.

PAUL L. KLEIN resumed the stand.

Direct examination continued by Mr. Bolan:

Q. Mr. Klein, has your recollection been refreshed in any way since your appearance here yesterday? A. Well,

everything you read to me, I recall what had taken place yesterday.

Q. And you still have absolutely no recollection of having received a $3,000 check from Mr. Lennon through the Tenants Protective Association? A. That is right, sir.

Q. Well, now, if you don't recall having received it, do you recall ever having paid $3,000 to Mr. Lennon for the Tenants Protective Association? (440) A. No, sir.

Q. Did you speak to anyone concerning your testimony after leaving here yesterday? A. Yes, sir.

Q. With whom did you speak? A. I called a friend who is an attorney and told him I was—that I had been here, and briefly gave him my impression as to what had transpired.

And he said, "Well, stay in there." I don't know if there was any choice involved in it. He said, "Stay in there and tell them the truth. That is the best you can do."

Q. Had you spoken to this attorney previously about this matter? A. Yes.

Q. What is his name? A. Sidney Asch.

Q. How is that spelled? A. A-s-c-h.

Q. Do you recall borrowing any sum of money in the neighborhood of $1,000, from Mr. Lennon or from the Tenants Protective Association?

Mr. Feldman: Your Honor, I am going to object; make the same objection that I made yesterday, (441) as not being relevant to the issues in this case.

The Court: I will allow it in an attempt to refresh the witness's recollection. The witness obviously admittedly testified one way before the grand

jury and now says he has no recollection of the facts to which he testified.

Now, if there is anything that can be done to refresh the witness's recollection, all right.

Mr. Feldman: Yes.

The Court: Do you say your testimony before the grand jury was false?

The Witness: I can't answer that yes or no, sir. It was my honest belief at the time, but I have come to change that belief. I believe that what I said before was my honest belief.

The Court: Was it false as a fact?

The Witness: Well, sir, that puts me in a position that I can't handle. All I can say is, I don't recall it. If someone else says it happened, I am not going to say he is a liar.

I am just going to say I don't remember what he says I said.

Q. Mr. Lennon——

The Court: You thought it was true at the (441a) time you testified before the grand jury?

The Witness: I thought what I said, yes, I thought it to be true.

(442)

Q. And Mr. Lennon did tell you that had happened, is that correct? A. Well, again with the same reservation between Mr. Lennon and the other gentleman.

Mr. Feldman: Your Honor, I am going to object and move to strike it out. We have only one defendant here.

The Court: Overruled.

Mr. Feldman: Exception.

Q. Mr. Lennon was present at all times during these conversations? A. As far as I can recall, yes, sir.

Q. He was in agreement with what was said, either by Mr. Hampton or himself, because——

Mr. Feldman: Your Honor, I am going to object as to whether Mr. Lennon was in agreement with anything.

The Court: He was present when it was said, so this man said.

The question is did Mr. Lennon make any statement other than what these two people said.

The Witness: Not that I recall, sir. My general impression, my recollection of it is that between the two of them, and I could not attribute one sentence (443) to one and one sentence to the other and be certain about it, and I just don't you know, keep that kind of notes; it may be that Mr. Hampton said everything and Mr. Lennon nodded or he didn't nod. I got the impression that what my two friends were telling me was the story.

Q. What was your income approximately in 1952? A. I am sorry.

Q. In 1952 what was your income, specifically around the summer of 1952? A. No regular income from February of 1952 on. I set myself up as a consultant in inter-group relations, made occasional fees, but had no regular source of income.

Q. Yet at this time you are unable to state whether you received $3000 as a loan; is that correct? A. Well, not

exactly, sir. I mean, if I am not carping about the phraseology, I have no recollection of receiving such a loan. May I try to make this phraseology——

Q. You say you may have received the $3000 loan but you just don't remember it? A. I don't know anything about having received it, sir. There was a time when I believed that I did, (444) but I don't believe that now.

Q. If you did receive it you don't remember what you did with it, is that right? A. Yes, sir. The account I gave of how I, quote, spent it seems to be, on checking with the friends I have spoken to, accurate in terms that I seem to have paid my debts off. Apparently, if I did get the loan that is how I did it; if I did not, my father kept—or the amounts I had previously from my father were able to carry me over that period until I worked again.

Q. Is it possible that you got a $3000 check from the Tenants Protective Association through Mr. Lennon, then turned it over to—the proceeds from that check to Congressman Powell?

Mr. Feldman: Objected to. Bad as to form. All things are possible.

The Court: Overruled.

A. I am sorry.

Q. I say, is it possible that through Mr. Lennon you got a check from Tenants Protective Association in the amount of $3000, cashed the check and turned the $3000 over to Congressman Powell? A. Well, two levels I would have to say is possible, one, because I have no recollection at all is my basic (445) answer.

Q. The same as you have no recollection of getting $3000? A. Yes. However, I would like to clarify that

one with two very short qualifications. One, you know, although I don't remember it, it is possible; second of all, during that period, as I testified, I was conducting a number of transactions for Congressman Powell, particularly when he was laid up, and what checks, papers and other material they were in that I just have no recollection now, except that I was constantly shuttling around carrying things. I do recall once or twice going to the bank; what the transactions were I just don't know.

Mr. Bolan: No further questions.

The Court: Any cross-examination?

Mr. Feldman: No questions at all, your Honor.

The Court: No questions.

Let me ask you this: Have you been under any medical treatment in the last year and a half?

The Witness: Just casual, cold and like that.

The Court: Have you ever been under any (446) psychiatric treatment?

The Witness: Yes, sir.

The Court: When?

The Witness: Using the word loosely, a clinical psychologist, probably 1954 or perhaps early 1955.

The Court: How long?

The Witness: Just several weeks, maybe two or three months.

The Court: All right.

Mr. Feldman: Your Honor, may I make a motion to strike all of the witness' testimony as not being relevant to the issue in this case?

The Court: I will deny the motion at this time and we will take it subject to connection.

Mr. Feldman: Exception.

The Court: You are excused.

Do you want the witness to remain here for anything further or not?

Mr. Bolan: The Government does not at this point, your Honor.

The Court: It does not.

Mr. Bolan: No.

The Court: All right.

(Witness excused.)

(447)

Mr. Bolan: The Government calls as its next witness Mr. Heinrich Ludeke.

HEINRICH LUDEKE, called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct Examination by Mr. Bolan:

Q. Mr. Ludeke, what is your occupation? A. I am employed by the Chemical Corn Exchange Bank in 311 Lenox Avenue as chief clerk.

Q. And was a subpoena served on the Chemical Corn Exchange Bank requiring you to produce all bank records and memoranda or any other documents relating to the Tenants Protective Association? A. That is right.

Q. Now in connection with your job as chief clerk, do you have custody of all the records of the bank? A. That is right.

Q. And pursuant to the subpoena served on the bank have you brought with you all of the records of the Tenants Protective Association? A. That is correct, sir.

Mr. Bolan: Excuse me, Your Honor, rather than have the original records, I wonder—we have (448) photostats of most of these, and I wonder if we could perhaps, rather than having the originals marked in any way, use the photostats?

The Court: Have you got the originals?

Mr. Bolan: Yes, sir.

The Court: Show the originals and the photostats to Mr. Feldman, and then if there is any question, why——

Mr. Feldman: The copies we have compared.

The Court: The copies are all right.

Mr. Feldman: Yes.

The Court: Then with the consent of counsel photostatic copies of the records may be substituted in place of the originals for any exhibits of the bank which are offered in evidence.

Mr. Feldman: Certainly, your Honor.

The Court: That will save marking the original records of the bank. All right.

Mr. Feldman: (To Mr. Bolan) Would you join me at the bench?

(Conference at the bench between Court and counsel off the record.)

The Court: Have you got something that this man can identify?

(449)

Mr. Bolan: Yes, your Honor.

Q. I show you Government's Exhibit 16 for identification and ask if you will tell us what that is, sir. A. That is the certification charge pertaining to a check the bank certified for the Tenants Protective Association, I.e. in the amount of $3000, dated July 11, 1952, payable to Paul Klein.

The Court: To whom?

The Witness: Paul Klein.

Q. And does that document show when the check was cashed, sir? A. Yes. The paid stamp is attached on the righthand upper corner——

Mr. Feldman: Your Honor—excuse me, Mr. Ludeke—I object, unless Mr. Bolan is going to offer the check and then we can have—I don't want to go through these formal objections, but in order to protect my record——

The Court: Do you want to offer the check in evidence?

Mr. Bolan: I will offer this in evidence.

The Court: Any objection?

Mr. Feldman: No objection.

(450)

The Court: All right. It is received in evidence.

Mr. Feldman: Your Honor, you understand of course that this is all being taken subject to connection and subject to my original objection that it has no binding effect on my client.

The Court: That is right. The issue in this case is purely one as to whether the defendant Lennon wilfully misstated his income tax, and I am putting that in a colloquial phrase, not the language of the indictment, with intent to defraud the Government by misstating it; and the evidence with reference to the Tenants Protective Association only becomes relevant in the event that the Government can establish beyond a reasonable doubt that the amount received by the Tenants Protective Associa-

tion was in fact received by this defendant or that amounts which were paid out by the Tenants Protective Association in some way got to or for the benefit of this defendant as taxable income. I am taking this evidence subject to connection on that issue.

(451)

Mr. Bolan: Your Honor, at this time there is a small entry that we do not have a photostat of with respect to and which concerns this particular specification, and perhaps Mr. Feldman——

The Court: All right. Show it to Mr. Feldman.

Mr. Bolan: Yes, sir.

(Mr. Feldman and Mr. Bolan converse privately, out of the hearing of the jury and off the record.)

Mr. Feldman: All right.

Q. Mr. Ludeke, do you have any other records in your custody which would show when this check for $3,000 was cashed? I am referring to Government's Exhibit 16. A. Well, there is an entry in this certification book dated——

Mr. Feldman: Your Honor, I am going to object. I understand that is not an entry indicating when it was cashed, but when the bank paid the check. There is a difference between the two concepts.

The Witness: Yes.

The Court: I know that as to a certified check the bank charges for it at the time the check is (452) certified.

The Witness: Yes.

The Court: Do you know when the check was actually presented and the cash paid out?

The Witness: Well, your Honor, may I interrupt?

The Court: Yes.

The Witness: The check—certified check itself was paid and not necessarily cashed but paid on October 28, 1952.

Now, the check could have been either deposited or cashed, and our entries or records here show that the check was in custody by reason of being placed over the window or over the counter, but we have no record in the bank of a deposit being made to this check on this particular day.

The Court: In other words, what would that indicate?

The Witness: From that we would surmise that the check was cashed, but we have no record of that itself because the teller's records, the cash teller's records are destroyed after two years.

The Court: Now, when was the check certified?

(453)

The Witness: The check was certified July 17, 1952.

The Court: Yes.

The Witness: And it was paid by the bank on October 28, 1952.

The Court: Any objection to that testimony?

Mr. Feldman: No, just that I do not have to go through an extensive cross examination, may I just ask a question or two, your Honor?

The Court: All right.

Preliminary cross examination by Mr. Feldman:

Q. Which means that it was either paid in cash or cleared in some way, and you can't state definitely how it was paid? A. No.

Q. Or to whom, is that right? A. That is right.

By Mr. Bolan:

Q. Now, I show you Government's Exhibit 17 for identification and ask you if you can state what that is, sir? A. That is a deposit ticket to the credit of the Tenants Protective Association, Inc., dated July 11, 1952, in the amount of $3,000, drawn on Bank No. (454) 835, and the teller recorded the name here, which probably means the maker of the check, and the name looks like David Kent, but I can't make it out exactly.

Mr. Bolan: I offer this in evidence, your Honor.

The Court: Any objection?

Mr. Feldman: This is the deposit slip?

Mr. Bolan: This is the deposit slip.

Mr. Feldman: Same objection, no——

The Court: Taken subject to connection.

Mr. Feldman: Right.

The Court: All right, received in evidence. I take it, no objection to its being received in evidence——

Mr. Feldman: Sir?

The Court: Except for that objection.

Mr. Feldman: Except for that objection.

(Government's Exhibit 17 for identification received in evidence.)

Q. I show you Government's Exhibit 18 for identification, and ask you if you are able to state what that is, Mr. Ludeke? A. That is the signature card pertaining to (455) this account of the Tenants Protective Association, Inc., and signed by the president of the corporation, secretary and treasurer.

Q. Well, I think the photostat is a little blurred. A. Yes.

Q. Here is the original. A. The president, the secretary-treasurer and co-treasurer. Shall I read off the names?

Mr. Bolan: Perhaps I can speak to Mr. Feldman and we can agree on this.

The Court: Yes, show it to Mr. Feldman.

(Mr. Bolan and Mr. Feldman confer privately out of the hearing of the jury and off the record.)

Q. Mr. Ludeke, would you please read those signatures? A. A. C. Powell, Jr., President, and——

Q. Does that look like Wendlyn Jones? A. Wendlyn Jones, Secretary.

Q. Harrison Jackson? A. Harrison Jackson, Treasurer; Anna C. Perry, Co-Treasurer.

Q. Perry, is that right; P-e-r-r-y? (456) A. Yes.

Q. Does the card contain any statement as to who may sign checks for the account of the Tenants Protective Association, Inc.? A. Any two, the president, treasurer or co-treasurer may sign.

Mr. Bolan: I offer this in evidence.

The Court: What bearing does that have upon this suit?

Mr. Bolan: I want to find out—well, if we estab-

lish who was able to sign the checks, perhaps we can find somebody who remembers signing the check.

Mr. Feldman: At this late date, your Honor?

The Court: Wait a minute, wait a minute; please do not interrupt.

Well, Mr. Bolan, we have here the testimony of Mr. Kent that he paid commissions on the sales of the apartments, that he gave them to Mr. Hampton and Mr. Lennon, that he understood those commissions were going to the Tenants Protective Association, a corporation.

Now, if he was paying those commissions on the sales of the apartments to the Tenants Protective Association, and Mr. Lennon and Mr. Hampton were (45) merely acting as representatives, agents, or conduits for them, how under any circumstances are the commissions on the sales of the apartments part of the income of Mr. Lennon?

Mr. Bolan: Mr. Lennon earned the income from those activities, from selling those apartments, earned it personally, received it personally, and distributed it personally at the request, the Government says, of some third party.

The Court: But we have the testimony of Mr. Kent that in his conversations with Mr. Lennon and Mr. Hampton he understood that those commissions which he agreed to pay on the sales of the apartments would be paid to the Tenants Protective Association.

Now, maybe the Tenants Protective Association should have filed an income tax return; maybe they had no right to be engaged in business or anything like that; maybe they have done something wrong, but where is that income of Mr. Lennon?

Mr. Bolan: Because Mr. Lennon was for all purposes the person who earned the money and who controlled the money and who controlled the Tenants Protective Association.

(458)

The Court: Well, this card does not indicate he is an officer of it, either.

Mr. Bolan: I know, your Honor, and that is what we have to call other witnesses for. This card—we have to lay a foundation as to——.

The Court: I see. You say this is preliminary?

Mr. Bolan: Yes, your Honor.

The Court: On that basis, I will take the card, all subject to connection.

Mr. Feldman: Same objection.

The Court: Yes.

Mr. Feldman: Your Honor, as a practical suggestion might we print the names on the photostat that seems to be a little blurred?

The Court: I think the jury will recall them.

Mr. Feldman: It was just a suggestion.

The Court: Certainly the defendant's name is not one of them.

Mr. Feldman: All right.

The Court: Received in evidence subject to connection.

(Government's Exhibit 18 for identification (459) received in evidence.)

Q. I show you Government's Exhibit 19 for identification and ask you to state what that is, sir? A. That is

the account of the Tenants Protective Association as from January 23, 1952 to—may I see the other book?

Q. Yes (handing to witness). A. Well, it looks like August 31, 1952.

Q. And does that show a deposit of $3,000 to the Tenants Protective Association? A. It does.

Q. And what is the date? A. The deposit was made July 11, 1952.

Q. And does it show a withdrawal of the deposit? A. Yes.

Q. Does it show a withdrawal of the $3,000? A. It does. On July 17, 1952, the amount of $3,000 was debited to the account.

Mr. Bolan: I offer this in evidence.

Mr. Feldman: With the same objection, your Honor.

The Court: I will take it subject to connection.

(Government's Exhibit 19 for identification (460) received in evidence.)

Q. Now, Mr. Ludeke, did you bring with you the ledger sheets for the period subsequent to August, 1952, which you have just testified about? A. That's right.

Mr. Bolan: Here again, your Honor, we have not photostats, and they are very brief entries and I think we can perhaps agree as to what they say.

The Court: All right.

(Mr. Bolan and Mr. Feldman confer privately out of the hearing of the jury and off the record.)

Q. What is the next ledger sheet that you have for the Tenants Protective Association, Mr. Ludeke? A. Start

ing August—rather, pardon me, it is impossible to read this particular figure at this time.

Mr. Bolan: It is clear under the light and if Mr. Feldman would like to see it——

The Court: Show it to Mr. Feldman.

Mr. Bolan: Yes, sir (indicating to Mr. Feldman).

The Court: What is that, a ledger card?

Mr. Bolan: Yes, sir.

The Court: For a subsequent period?

(461)

Mr. Bolan: Yes, sir, and under the light it appears to be January 21, 1953.

The Court: All right. Show it to the witness and see if he can read it now.

The Witness: Yes, I would say yes, this is the balance carried over from the other ledger.

Q. What was the previous balance? A. $29.17.

Q. $29.17? A. Right.

Q. All right. A. And during the year 1953 we have one entry, a credit item of $4, leaving a balance of $33.17.

Q. And do you have a ledger sheet for the period subsequent to this? A. Yes.

The Court: I understand that in the following year there was one deposit of $4, is that all?

The Witness: That is correct.

The Court: In this account?

The Witness: Yes, sir.

The Court: And it had a balance of about $33?

The Witness: Right.

The Court: All right.

(462)

The Witness: Now, the next ledger sheet starts off with a balance of $33.17.

The Court: When? What date?

The Witness: Oh, January 20th, and that must be 1955.

The Court: 1955?

Mr. Bolan: May I look at this under the light, sir?

Q. Will you please look at it again? A. Yes, 1954, I think.

Q. 1954? A. 1954, I beg your pardon; January 20, 1954, and the balance was $33.17 carried over from the previous one.

The Court: Yes.

Q. Any other entries on that? A. There was one debit entry on January 17th for $25.78, and leaving the balance of $7.39.

Q. Do you have any ledger for the period subsequent to that? A. Yes.

Mr. Feldman: Your Honor, at this point I would like to note an addition to my objection because we are now dealing with a post-post situation, (463) and such attention as the defendant could ever have had would have had to have occurred prior to the act, and it certainly could not have occurred in 1955.

The Court: I can't see where any further entries make any difference at all.

Mr. Bolan: Your Honor, may I be heard on that?

The Court: Yes.

Mr. Bolan: The Government wishes to show that the money was never paid back to the Tenants Protective Association.

Mr. Feldman: Your Honor, I am going to object to any such statement. All that this shows is that it was not deposited in the Chemical Corn Exchange Bank.

Mr. Bolan: Yes, but——

The Court: That is right. I do not see how any further entries in this account make any difference. It seems to me you have got to come to the one fundamental issue, which is was the Tenants Protective Association the alter ego of this defendant? That is the only issue in the case. Was it his money?

Mr. Bolan: Yes, sir. Well, I——

(464)

The Court: Now, what happened after that time makes no difference whatsoever.

Mr. Bolan: Well, I think, your Honor——

The Court: Maybe it folded up, or a lot of things might have happened to it.

Mr. Bolan: Yes, but if the money were loaned, for example, by Mr. Klein and——

The Court: It would not make any difference. It would not make any difference. If it was the defendant's own money and he should have reported it as income, that is one thing, and whether it was

a loan, and whether the loan was returned or not later makes no difference on whether in this year of——

Mr. Feldman: 1952, your Honor.

The Court: 1952, this was his income.

Mr. Bolan: Yes. Well, your Honor, the dealings with respect to this money subsequent bears back on the original intention in 1952. If the money just went through Tenants Protective Association for a few days and went to a friend of Mr. Lennon's and never went back to the Tenants Protective Association——

Mr. Feldman: Your Honor, I am going to object.

The Court: That does not make any differ- (465) ence whasoever. If it was his money and he loaned it and it was a bad loan, that is one thing, but if it was not his money that was loaned and it was a bad loan, it does not make any difference.

The question is, was it in 1952 his income? That is the only issue we have got here with respect to this money.

Mr. Bolan: Well, I think——

The Court: And did he wilfully fail to include it in his return, knowing that it was his money and that it should have been reported on his income tax return.

Mr. Bolan: Well, if the money had been returned to the Tenants Protective Association, it would be an indication that it was the Tenants Protective Association's money.

The Court: Not necessarily, I mean.

Mr. Bolan: Not necessarily.

The Court: I don't think these subsequent entries make any difference at all. I will sustain the objection.

Mr. Bolan: I have no further questions.

The Court: All right. Do you have any cross examination?

Mr. Feldman: Yes, sir.

(474)

Redirect examination by Mr. Bolan:

Q. How long were you a teller, Mr. Ludeke? A. I would say from 1944 until '52, roughly. I would have to look up my record; I can't tell you exactly.

Mr. Bolan: No further questions.

Mr. Feldman: No further questions.

The Court: All right. You are excused. Next witness.

Mr. Bolan: I just want to make sure that Mr. Ludeke gets all his records back.

The Government calls as its next witness Mrs. Anna Perry.

ANNA C. PERRY, called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Mrs. Perry, have you ever been connected with an organization known as Tenants Protective Association? A. Yes.

Q. What was your connection with that organization? A. I was co-treasurer or assistant treasurer.

Q. During what period of time, roughly? (475) A. Well, about in the '40s, about '48, or '49, '48.

Q. Up until when? A. Until about a year ago or maybe a little longer than a year.

Q. Now as such co-treasurer did you with anyone else have power to sign checks for the Tenants Protective Association? A. Yes.

Q. Who else? A. Mr. Jackson, attorney Jackson, Harrison Jackson.

Q. Yes. And who was the other person? A. Congressman Powell.

Q. And any two of the three of you could sign checks for the Tenants Protective Association, is that right? A. That is right.

Q. Now did you ever sign with anyone else or by yourself a check in the amount of $3,000 drawn on the Tenants Protective Association? A. No, sir.

Q. You are positive about that? A. Absolutely.

(476)

Mr. Bolan: I have no further questions.

The Court: Any cross-examination?

Cross examination by Mr. Feldman:

Q. Mrs. Perry, just a moment or so ago you testified that you never signed a $3000 check? A. That is right.

Q. Now, Mrs. Perry, if you saw your signature on a $3000 check would you recognize it? A. Yes.

Mr. Feldman: Would the Government produce the check in issue?

Mr. Bolan: Mr. Feldman is certainly making an assumption on something that is not in the record.

The Court: Well, have you got the check?

Mr. Bolan: No, your Honor.

The Court: Where would such check be?

Mr. Bolan: Such check would be with the Tenants Protective Association, I assume. The Government has subpoenaed it, your Honor. We have not got it as yet.

The Court: It would have been returned to the Tenants Protective Association with the bank statement, I suppose.

Mr. Bolan: Yes. We may have it by tomorrow, (477) if it is available.

The Court: You have subpoenaed it. All right.

Mr. Feldman: Your Honor, I can't continue my cross-examination. I was always under the impression that the Government has had that check for about the past two years, when they took all of Tenants Protective Association's records.

The Court: Have you ever had that check?

Mr. Bolan: No, your Honor. I don't know where Mr. Feldman got his assumption.

The Court: Have you ever seen the check?

Mr. Bolan: No, I have not.

Mr. Feldman: Has Mr. Emanuel ever seen it?

Mr. Emanuel: No, sir.

The Court: Did the Chemical Corn keep photostats of the checks?

Mr. Bolan: No, your Honor.

Mr. Feldman: Your Honor, I can't examine under these circumstances. The witness was asked—

The Court: All right. If you want to ask her

any further questions, all right; if you don't, if you want to wait until tomorrow, why, we can have her return tomorrow.

(478)

Mr. Feldman: I would prefer to suspend, your Honor.

The Court: All right, you suspend.

(To witness) Then you will have to come back again tomorrow. Sorry, but that is the situation.

All right, next witness.

(Witness temporarily excused.)

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(495)

HARRISON S. JACKSON, called as a witness on behalf of the Government; being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

The Witness: 200 West 135th Street.

Q. Mr. Jackson, have you ever had any connection with the corporation known as Tenants Protective Association, Inc.? A. Yes, I have.

Q. Have you ever had any position with that corporation? A. Yes, I have.

Q. What was the position? A. I was treasurer and chairman of the legal committee.

Q. And during what period of time would this be? A.

From its inception, which was October 22, 1948, up to the present time.

Q. And as treasurer did you have authority to sign checks of the Tenants Protective Association? A. Yes, I did.

Q. Would that be with anyone else? A. Yes.

Q. Which other people were involved? (496) A. Well, there was Mrs. Ann Perry, and I think Mr. Odell Clark. There were three signatures.

Q. I show you Government's Exhibit 18 and ask if this refreshes your recollection as to who was empowered to sign for Tenants Protective Association? A. Yes, it does.

Q. Now who else was empowered to sign with you? A. The president, A. C. Powell, Jr., Gwendolyn Jones.

Q. Pardon me. I call your attention to the language appearing at the bottom. A. Oh. Any two of the following, president, treasurer, co-treasurer. Those three.

Q. Yes. Which would those be? A. That would be A. C. Powell, Jr. and Harrison S. Jackson and Ann Perry.

Q. Thank you. Now, Mr. Jackson, did you ever sign a check in the amount of $3000 for the Tenants Protective Association? A. No, I never did.

Q. You are positive about that? A. Positive.

Mr. Bolan: No further questions.

(497)

Cross examination by Mr. Feldman:

Q. Mr. Jackson, I presume you would recognize your signature if you saw it? A. Yes, I would.

Q. And if you saw your signature on a check drawn on Tenants Protective Association I imagine you would

correct your testimony as to whether you signed it? A. Well, I don't want to differ with counsel, but I was asked if I signed a check for $3000, and my answer——

Q. Your present recollection is that you did not? A. I know that I did not.

Q. You also knew, did you not, that you could sign with Odell Clark?

The Court: With who?

Q. You are quite positive of that?

The Court: With who?

Mr. Feldman: Odell Clark.

A. Well, now, I am not certain that Odell Clark was one of the signatories, but sometime during 1948 and the present time I believe that he did sign—was one of the signatories allowable to sign checks.

Mr. Feldman: Your Honor, I am going to have to suspend at this point for the same reason (498) that I had to suspend with Mrs. Perry.

The Court: Now let me ask you; you were treasurer?

The Witness: Yes, sir.

The Court: Did you get the canceled checks back from the bank?

The Witness: No, they were returned, but I never had charge, Judge, of the cancelled checks, for the reason that checks were in such small amounts while I was treasurer and Mr.—and another person, executive secretary, handled the can-

celled checks, which were very small in number, that is, amount, rather.

The Court: Do you know where the cancelled checks are of the Tenants Protective Association?

The Witness: No, I don't, Judge.

The Court: Who have you subpoenaed for those checks?

Mr. Bolan: The president of the corporation, Mr. Powell.

The Court: You are still treasurer, though?

The Witness: Yes.

The Court: When is Mr. Powell supposed to produce them?

Mr. Bolan: Tomorrow morning, your Honor.

(499)

The Court: Let me ask you one other thing.

By the Court:

Q. You being an attorney, I take it you were the attorney for the Tenants Protective Association? A. Yes, sir, I was.

Q. It is a corporation, is it? A. Yes, sir.

Q. Membership corporation? A. Yes, sir.

Q. Did it ever file any income tax returns? A. I don't recall that it did, Judge, for the reason that there was never any funds to file for. We were usually in the red.

Q. Did you ever receive any sum as much as $3000 at any one time in the Tenants Protective Association? A. I never heard of any such sum being received in the Tenants Protective Association.

Q. If it had been received you as treasurer would probably have heard it? A. I should have.

Mr. Feldman: I still find it difficult to cross-examine without the check.

The Court: Without the check, yes. Well, (500) now——

Mr. Feldman: I can go on to another subject, though.

The Court: With this gentleman?

Mr. Feldman: With this gentleman.

The Court: All right. Then do that.

* * * * *

(675)

New York, October 15, 1956,
10:30 o'clock a. m.

Trial resumed.

The Court: You may call your next witness.

Mr. Bolan: The Government calls as its next witness the Rev. Adam Clayton Powell, Jr.

ADAM CLAYTON POWELL, JR., called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Dr. Powell, are you connected with the Abyssinian Baptist Church? A. I am, sir.

Q. What is your position there? A. Minister.

Q. How long have you been a minister? A. Twenty-six years.

Q. And you are also a Congressman from New York City, is that right? A. Yes, sir.

(676)

Q. For how long? A. Twelve years.

Q. And from which district? A. The 16th Congressional.

Q. You, of course, know the defendant Acy Lennon, is that right? A. Yes, sir, I do.

Q. He is a Congressional secretary to you, is that right? A. Yes, sir.

Q. And for how long has he been in that position? A. About ten years.

Q. Now, Dr. Powell, has any pressure in any manner, shape or form, directly or indirectly, been put on you by the White House or anybody in the United States Government in connection with this case?

Mr. Feldman: Your Honor, I object, and I think it is the back door introduction of trying to inject an extraneous issue in this trial. So far as I know, this is a tax evasion trial and not a political arena.

The Court: This is purely a tax evasion trial and there are no politics going to enter into this case as long as I am sitting on this Bench. This is purely a question of whether the defendant is guilty of evading (677) taxes as set forth in the indictment.

You called the witness, Mr. Bolan, and I will sustain the objection.

Mr. Bolan: Your Honor, may I be heard on that?

The Court: I will sustain the objection at the present time. If later on the question becomes appropriate, I will allow it. Go on with the evidence in the case.

Q. Dr. Powell, have you been connected with the Tenants Protective Association? A. Yes, sir.

Q. What has been your connection with that organization? A. I organized it in 1948.

Q. What was the purpose of that organization? A. To try to alleviate high rents being charged and poor conditions under which my people were living in the slum areas of the Harlem section.

Q. Incidentally, Doctor, what is the approximate number of people in your congregation at the Abyssinian Church? A. A little over 9,000.

Q. Did you have any position with the Tenants Protective Association? (678) A. Yes; I was the president.

Q. And how long were you the president? A. Until we dissolved it or until it became defunct, not operating any longer.

Q. When was that? A. Well, we have not dissolved it, I don't think. That is a matter for the lawyer to tell me. But it gradually became defunct due to the fact that it didn't have enough funds to operate with and many of the conditions we were working under we found we could work on just as well in other ways.

Q. Now, directing your attention to the year 1952, did the Tenants Protective Association earn an income from the sales of apartments? A. The Tenants Protective Association received a sum of money in return for putting on a campaign to sell the first integrated, that is, non-segregated co-operative housing project in our city.

Q. From whom was that sum received? A. From the firm that built the Dorie Miller project.

Q. What was the name of the firm? A. I do not know the name of the firm but——

Q. Was it Mr. David Kent? (679) A. Mr. David Kent was the principal in that firm.

Q. And the sum was $3,000? A. $3,000, yes.

Q. So that sum was received, is that right? A. It was a donation received, I am sure it was.

Q. Do you know the circumstances surrounding the receipt of that sum by the Tenants Protective Association? A. No, I don't know. All I know that the sum was received and was told that it was deposited in the bank.

Q. Do you know when the apartments were sold for which this sum was paid? A. No. I would say that the sum wasn't paid until after they were sold; I wouldn't state that it was before.

Q. When did you first learn that the Tenants Protective Association was to receive money for selling these apartments? A. When Mr. Kent came to me and told me—I didn't know him, by the way—that he had advertised in the Daily News, he had a professional real estate office in charge, and he had not been able to sell the (680) idea of integrated housing and wanted to know if I could help.

Q. What did you say? A. I said I couldn't help personally, but I would do everything I can. I got leading citizens, such as Mayor Wagner, Attorney General Javits, people like that to endorse——

Q. You said you couldn't help personally, is that right? A. Personally in that I couldn't sell them personally, no.

Q. Well, now— A. I could use my influence——

Q. As to helping, did he ask you to help sell them personally? A. No.

Q. Was that discussed? A. No.

Q. When you say you couldn't help personally, why did you make that statement to him?

Mr. Feldman: Your Honor, I object.

Q. In response to what was——

Mr. Bolan: I will withdraw the question.

Q. When you told him you couldn't help him person-
(681) ally, was that in response to something he had said? A. Yes.

Q. What did he say? A. He wanted to know—I said I couldn't do it.

Q. You said you couldn't do it? A. Couldn't do it personally.

Q. Sell the apartments personally? A. That is right.

Q. Did he ask you to sell them personally? A. He asked me if I would. I said I couldn't.

Q. Did you have any conversation as to who might sell them? A. I then said I would use all my offices and influence to promote the sale of these apartments.

Q. Did you exert such influence? A. Yes, I did.

Q. Was there any discussion as to who might sell the apartments? A. I told him my offices.

Q. And that would be any particular individual? A. It would be anyone working on the staff, but I did—I didn't work on it, but I did specifically ask Mr. Lennon, Mr. Hampton, to work, if they would, overtime on it.

(682)

Q. And Mr. Kent said this would be agreeable to him? A. Oh, yes, if we could sell them, sure.

Q. You suggested—you told Mr. Kent that you personally couldn't sell the apartments but that Mr. Lennon and Mr. Hampton could? A. And my offices, the church and Congress offices.

Q. Was there any mention of the Tenants Protective Association? A. Yes, there was.

Q. What was said in that connection? A. I said we could work it through that organization.

Q. Was there any mention made as to commissions to be paid to Tenants Protective Association? A. He said he would make a donation. It wasn't in the form of commissions, as I recall.

Q. Mr. Kent said he would donate some money to the Tenants Protective Association? A. Yes, sir.

Q. When you say donate, you mean it was to be given without any consideration from the Tenants Protective Association?

(683)

Mr. Feldman: Your Honor, I object. This is in the nature of cross examination and this is the Government's own witness.

Mr. Bolan: I am trying to determine——

The Court: I think we want to get the conversation, that is all. I will let Dr. Powell give the conversation.

Q. When you say donate, was there any further discussion about that, about a donation? A. No. The discussion was that we would exert all of our influence and that in turn if we rented these apartments, which hadn't been rented for, I think, a year, or I don't know how long, that then he would make a donation to the Tenants Protective Association. Excuse me, I have a cold.

Q. And was there any discussion as to what the basis of this donation would be in terms of dollars and cents? A. No, there wasn't any discussion on that with me.

Q. Did Mr. Kent say that he had already spoken to Mr. Lennon and Mr. Hampton about this?

Mr. Feldman: Your Honor, this is pure hearsay at this point.

The Court: What is pure hearsay?

(684)

Mr. Feldman: "Did Mr. Kent say that he had spoken to"——

The Court: What is hearsay about that? If the Congressman heard somebody say, "I spoke to somebody," that is not hearsay. That is something ~~he himself heard~~. The conversation may be hearsay. Your objection is overruled. He can testify whether Mr. Kent said he had spoken to somebody.

A. Yes, sir, Mr. Kent said he had spoken——

Q. Did he say when he had spoken to them? A. No, he didn't. In fact, they brought him to me and introduced Mr. Kent to me.

Q. Had you spoken to Mr. Kent over the telephone prior to this time? A. I don't recall whether I had or not. I don't think so. I may have, but I don't think so.

Q. You say they brought him to you, is that right? A. That is right, sir.

Q. Did they remain with you while you talked with Mr. Kent? A. They did.

Q. They did. And during that conversation was the arrangement finally determined as to the fact that (685) Lennon and Hampton would sell the apartments? A. That is right.

Q. In your presence? A. They would be the main ones in selling it, that is right.

Q. Did anybody else sell these apartments? A. Anyone that we could muster, both paid workers on the church

staff and paid workers on the Congressional staff, and volunteers.

Q. Now, at the time the $3,000 was given by Mr. Kent did you have any idea as to how much he would give? A. No, I did not. I know he told me that he was paying about $100 an apartment to an agent, which would have been about $30,000. I think there are 300 apartments there on that basis.

Q. When in relation to the payment of the check by Mr. Kent did you learn that it had been paid? A. When either Mr. Lennon or Mr. Hampton told me that it had been deposited in the bank.

Q. Did you ever see the check? A. No, I did not.

Q. You knew then that at about the time it was deposited that it had been deposited? A. Yes, I did.

(686)

Q. Now, did you have any further discussion with Mr. Lennon and Mr. Hampton concerning this $3,000? A. No.

Q. Since the time it has been deposited, have you had any discussion with Mr. Lennon concerning that $3,000? A. Have I had discussions with Mr. Lennon?

Q. Yes. A. Oh, surely.

Q. When was the next time that you recall having a discussion with Mr. Lennon concerning the $3,000 after it was deposited? A. The next time the discussion with Mr. Lennon and I think our legal advisor, Mr. Jackson, and at that time the Tenants Protective Association was becoming inactive and I said we ought to do something with this money, and they said, "Well, what do you suggest?"

I said, "Well"——

Q. Pardon me before you go on, sir. A. Yes.

Q. When was this? A. I don't know the exact date.

Q. Was it a year or two years after the $3,000 had been deposited? (687) A. I don't think it was as long as that.

Q. But, in any event, this was the next discussion that you had? A. Yes.

Q. Now, will you please continue? A. And we talked it over, and incidentally I said then that I thought that it was a very small sum for the job that had been done, considering the work and the $30,000 investment, and because we had spent quite a lot of money ourselves; that is, for putting posters all over Harlem with the names of prominent people that had endorsed the project, people like, as I said, Mr. Wagner, Mr. Javits.

So I said, "Let's give it to Paul Klein who has worked so very hard for many years in many capacities and has never been paid by me."

And he was in debt. He had spent a lot of his personal money: Paul is a zealot in the field of civil rights, and that is the last discussion that we had.

Q. And this was when in relation to the amount being deposited? A. Not too long afterwards. Whether it was a question of six months or six weeks, I don't know.

(688)

Q. Well, now, did you have a discussion with Mr. Klein in March of this year concerning that $3,000? A. Oh, I have discussed it with Paul repeatedly. Paul is a very close friend of mine.

Q. Yes, he is a very close friend, is that right? A. Yes.

Q. How long have you known him? A. I knew Paul when he came to work in my office for the National

Committee for Permanent FEPC, which committee was headed by Matthew Quigley, the prominent Roman Catholic and publisher in Hollywood of trade magazines, and I was the author of the SEPC bill, and Paul came to work on salary on that committee in my office, worked with me, and with the four men who were on my committee, one of whom was Mr. Nixon, Vice-President Nixon, who at that time was a member of my committee and a member of Congress, and Paul did a monumental job, and that is when I first met him and how I met him.

Q. Now, did Mr. Klein tell you that he had been in my office in March? A. Did he tell me?

Q. Yes. A. Oh, yes, yes.

(689)

Q. And did he tell you that I had asked him to speak to you and see what you recalled of the $3,000? A. No, he did not say that.

Q. Did he ask you anything about the $3,000? A. No, he did not.

Q. Well, what did he say to you about being in my office? A. He said—I don't know that he had said he had been in your office, or whether he said it was before the grand jury, I don't know which.

Q. Well, what did he say about the $3,000? A. He said that he had been before some official subject, be it either you or the grand jury, and had been questioned concerning his relationship to the Tenants Protective Association and questioned about his relationship with me.

And I said, "Go ahead and tell the truth, Paul, about everything."

But we didn't go into any details whatsoever.

Q. No details whatsoever? A. No.

Q. You say you have no recollection of Mr. Klein telling you that I asked him to contact you to see what you recall about the $3,000? (690) A. I don't recall that, but I know he did contact me, because I have seen him quite frequently.

Q. Had you at any time told Mr. Klein that you had no recollection of this $3,000 transaction involving him? A. Yes, I told him I knew—whether it went through him or not, I told him that I asked the men who comprised the executive committee to go ahead and make out a check to him for his services, but whether it was made out or not I don't know.

Q. Did you tell Mr. Klein that you had no recollection whatsoever as to this $3,000 as it involved Mr. Klein? A. Oh, no, no.

Q. You never did that? A. Oh, no. I told him I asked the man to make out the check to him for his expenses and for his practically two years of services that I did not pay him for.

Q. Now, have you had any discussion with the defendant Lennon concerning this $3,000 item? A. Oh, surely.

Q. When was the first time? A. Oh, I don't recall, but repeatedly I saw Mr. Lennon, and I saw Mr. Lennon every day that I am in the (691) office.

Q. Has Mr. Lennon ever told you of a conversation that he had with Mr. Klein? A. No, he did not.

Q. He never mentioned to you that he had talked with Mr. Klein? A. No, he never mentioned that he had or had not.

Q. Did Mr. Klein ask you for $3,000 in 1952? A. He did not.

Q. You are absolutely sure of that? A. I think so. I am almost positive.

Q. Did Mr. Lennon ever tell you that he had told Mr. Klein that Mr. Klein in 1952 had asked you for $3,000, and that you——

The Court: Objection sustained.

Q. Doctor, you have been asked to produce all the records of the Tenants' Protective Association, is that correct? A. Yes, sir.

Q. Have you brought those with you? A. No, sir.

Q. What is the reason for not bringing them? A. The first one is that I never had the records, never had possession of them.

(692)

Q. And what is the second reason? A. The second reason is that in the primary fight which I had in 1952, which was managed by Joseph Ford against me, why, thieves broke into my Congressional office, and it is a matter of police record, and they not only seized all the records there but committed acts of vandalism.

We suspected that this might happen and we had taken out the usual files, our master index of the Democratic voters, because that is what I think they were after.

Now——

Q. When was this? A. Excuse me?

Q. Did you finish? A. No.

Q. Continue, sir. A. Then I understand when I was in Europe on Government business two agents of the Federal Government came to my office and asked for the records and they were given to them.

Q. You understand this? A. That is right.

Q. When was this, sir? (693) A. I don't know when it was. It would have to be during July or August, or early September.

Q. Of which year? A. It was either last year or——

Q. And you say records were given? A. Were given to them, and they spent——

Q. Which records were they? A. All the records of the Tenants Protective Association.

Q. Well, did I understand you to say that there had been a burglary in 1952? A. That is right, and some of them were taken, yes, some of our records were taken.

We have two offices, one on Seventh Avenue, and the other one is in the community center of the church, and the records on Seventh Avenue were taken, and some were left in the offices of the church, and what records were left I don't know, but all of these were turned over to the agents, and I think their names were Mr. Bolson and Mr. Emanuel.

Q. Bolson and Emanuel? A. Yes. They were also given these records and I think that they have given them back.

Q. Do you know—do you know whether the $3,000 (694) check was taken, Mr. Powell? A. I don't know.

Q. Have you been told by any member of the Tenants Protective Association that it was? A. No one ever told me.

Q. You don't know? A. No.

Q. Do you know if the $3,000——

Mr. Bolan: I will withdraw that.

Q. Now, when did this theft occur? A. The theft occurred during the primary, the week before the primary in 1952.

Q. When would that be, sir? A. I don't know, because the primary dates are shifted back and forth and they have changed during the past four years.

Q. Now, let us see if we can refresh your recollection. Was that theft made at a time when Mr. Kent was questioned by a Senate committee as to the Dorie Miller project and concerning the $3,000 payment he made to you? A. I don't know.

Mr. Feldman: Your Honor, I am going to object.

Q. You don't know? (695) A: No.

Mr. Feldman. I am going to object as sort of a back door device of refreshing the witness's recollection with no justification for the use of such a device.

The Court: I will overrule it. The District Attorney is trying to get the date and asking if that will help him. I will allow the question. Please read the question.

(Question and answer read.)

Q. You have no memory as to whether or not it was that time? A. No, because you see Mr. Kent was questioned by the Senate committee privately.

(696)

Q. Well, was it in between the time he appeared privately and the time that he appeared publicly? A. That is what I am coming to. I did not know that he had been questioned privately until I came back from Europe that summer and learned that a public investigation was being scheduled at the Hotel Astor.

Q. And you did not know—A. And then I found out that he had been privately before a Senate Committee prior to that. What date I don't know.

Q. And you are not able to say whether the theft occurred before he appeared publicly? A. I don't know. I would say no because of this: I came home from Europe in September late, and the public investigation was held them, and the primary was held before late September, but we have gone through changes in the primary laws in New York.

Q. Yes. A. It used to be in the spring, and then they shifted it to the summer. Therefore, it would have occurred I think prior to Mr. Kent's public appearance before the Senate Committee, which was the first time that I knew that he was publicly questioned before the (697) Senate Committee.

The theft is a matter of police record also.

Q. Now, you say that you have had no discussion with Mr. Lennon concerning the payment of $3000 to Mr. Klein? A. No, no discussion.

Q. No discussion at all? A. No.

Q. Mr. Lennon apart from being your congressional secretary has also been your campaign manager, is that right? A. Yes, after I got rid of Joe Ford Mr. Lennon became my campaign manager.

Q. And when was that? A. I don't know when that would be. It would be about '48, I guess, '48 or '50, either '48 or '50.

Q. Well, Mr. Ford was as a matter of fact, your campaign manager up to 1951, wasn't he? A. Well, if he was then Mr. Lennon became campaign manager in '51.

Q. And he still is? A. No, not now.

Q. When did he cease being your campaign manager? (698) A. It seems when he became involved here and when I thought it best that he not be the campaign manager until this thing here was resolved.

Q. And Mr. Lennon has always worked for you or has also worked for you in another capacity other than congressional secretary, has he not? A. Mr. Lennon was director of the boys' work in our community center, which is open to all children in our area irregardless of their faith or church.

Q. And he held this job simultaneously with his job as congressional secretary? A. Yes, a part-time job.

Q. What is the salary that Mr. Lennon has received approximately?

Mr. Feldman: I am going to object to that. There is no issue about that in this case.

The Court: Is there going to be an issue on that related to unreported income? What is it that you wish to establish by asking that question?

Mr. Bolan: I wish to establish the relationship between this witness and the defendant.

The Court: Well, that has been established. Is that question related to what salary he got, or is there any issue about the salary being unreported? (699) If there is, then all right.

Mr. Bolan: No, there is no such issue.

The Court: Then I will sustain the objection.

Mr. Bolan: All right.

Q. Well, now, you also consider Mr. Lennon a very good friend, do you not? A. Anyone that worked for me over a period of years has to be a good friend.

Q. So he is a very good friend, then? A. He is.

Q. And when he got into these tax difficulties did you have any discussions with him concerning them?

Mr. Feldman: Your Honor——

The Court: The objection is sustained.

Q. Well, have you had any discussions with Mr. Lennon concerning the subject matter of his tax troubles

Mr. Feldman: Objection.

The Court: I will sustain the objection to the form of that question, yes. You may ask him whether he has discussed this indictment with him, or something like that.

Mr. Bolan: All right.

(700)

Q. Have you discussed the indictment with him before? A. Yes, indeed.

Q. And during that discussion wasn't there a discussion about this $3000 payment?

Mr. Feldman: Objection, if your Honor pleases.

The Court: I will sustain the objection to the form of the question. I will let you ask him was there a discussion about the $3000 payment.

The Witness: Yes, sir.

Q. Oh, there was? A. Yes.

Q. Well, perhaps I misunderstood you, but did you say before that you did not have any discussion? A. I don't recall that, because Mr. Lennon told me that it was raised in this court and upon reading the papers and seeing it there, sure I discussed it with him.

Q. And did you discuss with him the matter of whether this $3000 was paid to Mr. Klein? A. He did.

Q. And what did he say? A. He said he did not recall what had happened (701) to it.

Did I?

I said I didn't know because all I did was to order the check to be issued.

Q. Did he say whether anybody else in the Tenants Protective Association had recalled what had happened to the $3000? A. He did not.

Q. And the records had been stolen so they could not check with them, is that right?

Mr. Feldman: Your Honor, I object.

The Court: Well, I will sustain the objection to the form of the question.

Q. Well, did Mr. Lennon have a position with the Tenants Protective Association? A. Yes, he was one of the officers. I don't know what office it was. We had about seven members on the board of trustees. It was an incorporated body.

Q. And do you know who was empowered to sign the Tenants Protective Association checks? A. I don't recall who was empowered because the signatures were changed at one time, but I can't recall that as to any specific time as to who would (702) be empowered, but it would be one of the seven officers or two of the seven officers.

Q. I show you Government's Exhibit 18 and ask you if this refreshes your recollection? A. Adam Powell——

Q. Before you proceed, sir, I call your attention to the notation in the lower half of that document, president. A. Treasurer, and co what?

Q. Co-treasurer. A. Co-treasurer.

Q. May sign? A. May sign, well, that is it.

Q. And which three would that be? A. That would at that time be the president, secretary, Miss Jones, the treasurer, Harrison Jackson, and the co-treasurer——

Q. Well, the secretary was not empowered to sign, was she? A. No, I am just reading the names.

Q. Pardon me? A. And Anna——

Q. Perry? A. Well, the Perry is blotted out.

Q. Does that refresh your recollection as to who was empowered to sign? (703) A. Yes, at that particular time.

Q. And who were the people?

The Court: Who are the people on there?

The Witness: Adam Powell, Harrison Jackson, Anna C. Perry.

Q. All right. Now, did you sign the $3000 check of the Tenants Protective Association issued to Mr. Klein? A. Not that I know of, I didn't sign. It was the practice in issuing checks, and I know I only had a very bad practice of signing checks in advance.

Q. Well, who in the Tenants Protective Association had charge of the records and the checkbook? A. The secretary or the treasurer has been in charge. I had none of the records.

Q. Are you saying that you did not sign a $3000 check or that you don't recall signing a $3000 check? A. I say I don't recall signing it, but we signed checks in advance. I did not sign many checks at all. There blank checks, which were to be used, and if was a bad practice, but nevertheless one that we used at that time, and it could be filled in for $3000 and signed by somebody else, or by me, but (704) I don't remember.

Q. Did Paul Klein give you $3000 in 1953?

Mr. Feldman: Your Honor, I object. This is completely extraneous to the issue here.

The Court: Oh, I will permit that question.

A. No, sir.

Q. You are sure of that? A. Yes, sir.

Q. Did Mr. Lennon, the defendant, give you $3000? A. A. No, sir,

Q. Did anyone connected with the Tenants Protective Association give you $3000? A. No, sir.

Q. Now, in July 1952, was Mr. Klein living with you? A. In July 1952? Is that the month of the National Democratic Convention?

Q. I believe it was. A. Well, prior to the Convention he did stay with me about a week and then, of course, he visited me off and on.

I had a beach house at West Hampton which I subsequently sold.

Q. Now, were you in the habit of giving checks (705) to Mr. Klein for him to cash?

Mr. Feldman: Your Honor——

The Court: Objection sustained.

Q. Did you give a $3000 check to Mr. Klein to cash in July 1952?

Mr. Feldman: Your Honor, what relevance does that have to the issues in this case?

The Court: I will let the witness answer it.

A. I don't recall. I may have, because I did not have a checking account at West Hampton, and Paul used to go into town and do many favors for me.

Q. Apart from being the recreational director for children at the Abyssinian Baptist Church, Mr. Lennon participated in other activities in the church, too, did he not? A. No more than any other member would. He held no official position in the church.

Q. Well, specifically with reference to a tax service, Mr. Lennon was active in that? A. Oh, yes. That is a community house project, not the church.

Q. But it is under the sponsorship of the church? A. No, siree.

Q. The church authorized the service? (706) A. No, sir.

Q. The church did not authorize the tax service? A. No, sir.

Q. Did you endorse the tax service? A. Yes, sir.

Q. And Mr. Lennon was active in this tax service? A. Yes, sir.

Q. And Mr. Ford was also active, is that right? A. Yes, sir.

Q. And Mr. Ford was actually in charge of the service for a time? A. Yes, sir.

Q. And when he was in charge Mr. Lennon was active with him, is that right? A. He was one of many that worked with Mr. Ford and he was on Mr. Ford's payroll.

Q. Just one of many? A. Yes.

Q. No difference than anyone else who worked there? A. No, sir, not that I know of. What relationship he had with Mr. Ford I don't know.

Q. Have no idea as to what his relationship was with Mr. Ford? (707) A. No, sir, I do not.

Mr. Bolan: Will you mark this for identification, please.

Q. You say he was just one of many employees of Mr. Ford?

The Court: That is what the witness has said.

Mr. Feldman: Your Honor, may I point out that

the use of the word "employee" has a certain legal significance as well as an ordinary common everyday meaning and——

The Court: You will have the right to cross-examine the witness about that.

Mr. Feldman: Fine.

(Marked Government's Exhibit 20 for identification.)

Q. I show you Government's Exhibit 20 for identification and ask you if this refreshes your recollection as to whether you considered Mr. Lennon just one of many?

Mr. Feldman: Your Honor, I do not see how it could refresh the witness's recollection.

The Court: Maybe you don't, but you have not seen it yet, and neither have I, but perhaps the witness (708) can answer the question.

Mr. Feldman: I think the question is improper as to form and that is the reason for my objection.

The Court: If it is something that will refresh his recollection he can look at it, and if it does not he can say so.

Does that refresh your recollection about what you were asked? I forget what it was, but does it refresh your recollection about that?

The Witness: It refreshes my recollection about many things.

(709)

Q. Well, on the specific question as to Mr. Lennon's connection with the tax service. A. May I read that?

Mr. Feldman: May we have the date, your Honor? We have only three years involved in this indictment, 1949, 1950 and 1951.

Q. Does this refresh your recollection as to when Mr. Lennon succeeded Mr. Ford in the tax—as the head of the tax service? A. No, it does not.

Q. You say it does not? A. It does not, no, it does not; no mention here of Mr. Lennon taking over the tax service.

The Court: Let us not have argument. You go back there, Mr. Bolan, and ask the question.

Q. I will ask you again, does this refresh your recollection as to whether or not Mr. Lennon was merely one of many in Mr. Ford's employ? A. Yes, according to that letter it says that Mr. Lennon was a partner with Mr. Ford. But as far as that definition, he was not the partner, he was one of the partners that worked with him. That is what I understood.

The Court: That is what the witness says he (710) understands.

Q. Does this letter also refresh your recollection as to whether the Abyssinian Baptist Church authorized the tax service? A. I didn't get that in there when I read that before. (Witness examines) Yes, this refreshes my memory that the Abyssinian Baptist Church did not authorize the tax service. It is stated here clearly. May I read it?

Q. The letter states clearly——

The Court: The witness says it doesn't refresh his recollection.

Mr. Bolan: He says it states clearly——

The Court: But it is not in evidence.

Mr. Bolan: I am willing to allow the witness to read where it specifically——

Mr. Feldman: I do not, your Honor.

The Court: You know that is improper, Mr. Bolan. It is not in evidence. The witness has given you his recollection based on that. If you want to offer some evidence, you can offer it separate and apart from that.

Mr. Bolan: Well, I do offer this letter in evidence on the point of the——

(711)

Mr. Feldman: May we not have a description of what it is being offered on?

Mr. Bolan: All right.

The Court: Show it to Mr. Feldman, and you see what it is.

Do you object, Mr. Feldman?

Mr. Feldman: I object to a portion of it, your Honor.

The Court: Do you object to the document being received in evidence?

Mr. Feldman: I do, sir.

The Court: All right. Let me look at it.

(Mr. Feldman hands to the Court.)

Mr. Feldman: Your Honor——

The Court: Wait a minute. I am reading it.

Mr. Feldman: I apologize.

The Court: This letter, Government's Exhibit 20 for identification, bears your signature, does it not?

The Witness: May I look at it? Sometimes the

mail is signed by the secretaries. That is my signature, yes.

The Court: Mr. Bolan, you offer this for this one sentence in here?

Mr. Bolan: Yes, sir.

(712)

Mr. Feldman: I object to it, if that is the sentence which I think the Court refers to, as not being binding on my client at all. It is a statement by a third party as to his understanding. I assume that the Court——

Mr. Bolan: I offer it also with respect to the Abyssinian Baptist Church.

The Court: I don't see that that makes any great degree of difference, Mr. Bolan, except the witness has said he had—it didn't refresh his recollection as to the fact of the partnership between these two at all.

The Witness: No, it did not refresh my recollection as regards Mr. Lennon being the partner with Mr. Ford. But the part about the church there, I would like that cleared up.

The Court: Well, what is your recollection, that they were partners or not partners?

The Witness: That they were partners, along with others.

Mr. Feldman: I am going to object to the Court's question and ask that the witness's answer be stricken out as not being binding on my client at all.

The Court: It certainly is not what this (713) witness understands the business relation-

ship is; there certainly isn't any proof of the business relationship. I will sustain the objection as to the admission of this document.

Q. You do recall a time when Mr. Lennon took over the tax service from Mr. Ford; is that right? A. Yes, sir.

Q. Do you recall when that was? A. No, I do not. It would be around the same period when I parted ways with Mr. Ford.

Q. After Mr. Ford left, did you take any steps to see that Mr. Lennon would take over the tax business?

Mr. Feldman: Objection, if your Honor please. There is no issue in this case that Mr. Lennon operated the tax service from the church. The issue is whether or not there was income and how we are to consider that income.

The Court: That is right.

Mr. Bolan: Your Honor, I want to establish exactly what sort of tax service was being run by Mr. Lennon. I think it has a bearing——

Mr. Feldman: Your Honor——

The Court: I think that has been brought out. (714) The only issue is whether he is reported his income he got from the tax service.

Mr. Bolan: There has been talk of partners and employees and things of that sort.

Mr. Feldman: Your Honor——

Mr. Bolan: This witness is——

Mr. Feldman: The basis of this is that Mr. Lennon operated the tax service——

The Court: For the third time, Mr. Feldman, I tell you don't interrupt when somebody else is

speaking. You don't do yourself or anybody any good if you interrupt. That is not done in this court.

Mr. Feldman: I apologize.

The Court: You will get your chance to talk at the proper time.

Mr. Bolan: There has been some talk that there were commissions paid, that Mr. Lennon did not prepare the tax returns, things of that sort. I would like at this point to get a little evidence on exactly what was the setup in that tax service. This witness apparently——

The Court: I will allow you to ask this witness what he knows about it. I don't know how much he knows.

(715)

Do you have something to object to, Mr. Feldman?

Mr. Feldman: Yes, I do. The position of the defense throughout this trial has always been that there was no issue that in 1953 and 1954 Mr. Lennon was operating a tax service at the church.

The Court: And receiving fees for doing it.

Mr. Feldman: And receiving fees for doing it. We are going off into an exploration which will ultimately bring us to the very fact that we all know about.

The Court: For such enlightenment as it may give to the Court and jury, I will allow you to ask the witness one or two questions about the tax service.

Mr. Bolan: May I have that last question? I think there is a question unanswered, your Honor. (Question read.)

A. I will answer that, in conjunction and with the knowledge of Mr. Lennon did I take any steps?

Q. Yes. A. Yes, sir.

Q. What steps? A. I told Acy Lennon that he could operate the tax service if he operated it scrupulously and without (716) the complaints that I had received concerning Mr. Ford's operation.

Q. And did Mr. Lenonn agree to do that? A. He did.

Q. And where was the office that Mr. Lennon operated his tax service from? A. That is what has been troubling me. I don't know whether that year he operated in the community center, not the church, I repeat that, the center, entirely separate, or whether he rented an office on 135th Street. I know that he had a tax service office on 135th Street and Seventh Avenue, and which years he had it, I don't recall.

Q. Where was this tax office in relation to the church? A. Where was the tax—which tax office?

Q. The one that was in the community center. A. Oh, it is in the community center.

Q. Where is that in relation to the church physically? A. Adjacent to the church.

Q. Are the premises owned by the church? A. Oh, yes.

Q. And are you as pastor in charge of who uses (717) the space in the community center? A. In the community center, yes, but not the church. The space in the church is in charge of the board of trustees and the board of deacons.

Q. Did you take any further steps in conjunction with

Mr. Lennon with respect to this tax service? A. I don't know what you mean by that.

Q. Well, did you sign a letter with Mr. Lennon asking people to use the tax service? A. I imagine I——

Mr. Feldman: Your Honor, I object to that as being completely extraneous to the issue.

The Court: What difference does it make whether he did or he did not? The only issue in this case is whether Mr. Lennon received some fees and he did not report them on his income tax returns. That is the only issue we have on that. And whether he received any compensation from Mr. Ford when Mr. Ford was running it and he didn't report it on his income tax return. Those are the only issues we have on the tax end.

Q. Dr. Powell, would you please state the conversations you have had with Mr. Lennon concerning the $3,000 item since the time that his tax trouble began?

(718)

The Court: I think you have been over that. I will sustain the objection.

Mr. Bolan: Your Honor, I don't think we have——

The Court: You can't ask a general question like that anyway, "Give all the conversations." I thought you thoroughly explored that issue.

Mr. Bolan: I feel that I have not, your Honor.

The Court: Then you have to pinpoint it. I would hate to have somebody ask me to recount the conversation that I had with anybody over five years ago.

Q. When is the first time after Mr. Lennon got in tax trouble that you had a conversation with him with respect to this $3,000 item?

The Court: Objection sustained. We have been over that. That question was asked.

Q. Prior to your appearance on the stand when was the last time you talked with the defendant concerning this $3,000 item? A. I can't recall. I talked to him yesterday after church.

Q. When is the last time—did you ever talk with Mr. Feldman, his attorney? A. Mr. Feldman? Yes, I talked to Mr. Feldman.

(719)

Q. When is the last time you talked to Mr. Feldman concerning this? A. I don't recall. I have only seen Mr. Feldman once.

Q. You don't recall when that was? A. No, I don't.

Mr. Feldman: Your Honor, I don't recall that this witness testified that he discussed any tax service question with me.

The Court: Are you volunteering that?

Mr. Feldman: No. I am objecting to this. If the Court will listen to the questions on the record, there has been a slurring——

The Court: You are objecting to a question.

Mr. Feldman: Yes.

The Court: What is the question you object to?

Mr. Feldman: If the reporter will be good enough——

The Court: You didn't object to it until after the witness had answered.

Mr. Feldman: Because we——

The Court: If you want to object, stand up when you object and I will sustain the objection if it is right. But don't get up and make a speech about (720) something. I will sustain your objection if it is proper.

All right. Let us have the next question. There is no open question now before us.

Q. With respect to the records of the Tenants Protective Association, you say that, just to get the thing into focus, you say that certain of the records were stolen and that another portion of the records were turned over to Government agents, is that right?

The Court: Objection sustained. That has all been over. It is just repetition.

Q. Who is it that told you that these records were turned over to the Government? A. When I came back from Europe, my office told me.

Q. Came back from Europe when? A. I don't know the exact date.

Q. This year? A. Oh, no, no. This was either last year or the year before, as I testified earlier.

Q. Someone in your office told you that records of the Tenants Protective Association had been returned to the Government? A. The fact——

Q. Had been given to the Government? (721) A. They said all my records in Room 2, which is the room in the community center that I use as another office for my work with people outside of the church, all the records.

Q. Did they mention specifically Tenants Protective Association records? A. Yes.

The Court: I think the witness testified that they were given to the Government and the Government returned the records.

The Witness: That is correct.

Q. The Government returned the records?

The Court: Mr. Bolan, the witness testified to that.

Mr. Bolan: Oh, I am not sure that he did.

The Witness: Oh, yes, I did testify to that.

Q. Oh, I am sorry. What happened to those records that were returned? A. Those records that were returned, I understand, were then put up in the tower of the church where we keep all the old records of our church.

Q. Are they still there? A. No. You didn't ask me that.

Q. Oh, I am sorry. Where are they? (722) A. Those records were put in the tower, along with old documents of our church, because our church is almost 150 years old, and the tower is concrete and rock and steel and formerly inaccessible to anyone. But about a year or two years ago the fire department placed many violations on our buildings, because they are about thirty-four years old. One of the violations was——

Q. When was this about the fire department? A. The fire department violations were placed on our building about a year or two ago, two years, I think, because it cost us a tremendous amount of money to meet that. One of the violations they placed on the building was

that we couldn't keep a door to the tower locked, due to the fact that they deemed that they were fire exits over the galleries of the main sanctuary.

From then on we had tremendous trouble with children, because we have thousands of them, using our building and running through there, and in the—this summer, just as I was—just as Congress was coming to a close, during the vacation Bible school for children, children got in there and started a fire, and the fire department of course answered the call and (723) the marshal in charge of the district, or whoever the commanding officer was, gave us twenty-four hours to move every single thing out of those towers. Most of it burned, some of it—all of it water-damaged. And at a cost of $180 we had to move everything. It was a violation served on us, towards the end of Congress this year, which would mean around the last part of July or middle of July.

Q. I am still not clear as to where the records are. A. That is where the records are.

Q. Where? A. Wherever they were moved by the junkman, by the man we had to pay $180 to move.

Q. In other words, as far as you are concerned, they were destroyed? A. All records, church records, my personal records of the past, everything.

Q. When was this, sir, that they were destroyed or given to the junkman? A. By following the fire department after the fire—it would be somewhere, between, around the 20th of July, around that time.

Q. Of this year? (724) A. Yes.

Q. And at that time Mr. Lennon had already been indicted and you had already discussed this question of the Tenants Protective Association with him, is that correct?

Mr. Feldman: Your Honor, objection.

The Court: I will allow the witness to answer.

A. Yes, sir.

Q. And who was it that permitted the records to be given to the junkman? A. Who was permitted?

Q. Yes. Who was it that authorized it in the church? A. There was no authorization.

Mr. Feldman: Your Honor, this, as I understand it, is an interrogation as to the failure to respond to a subpoena duces tecum, and I object because I think it has gone far enough. The witness has not brought the records.

The Court: Let me ask you, Dr. Powell, those records of the Tenarts Protective Association, as far as you know, were they up in the tower?

The Witness: The ones that Mr. Emanuel and Mr. Bolson saw, went over, and returned to us. Yes, sir.

(725)

The Court: They were in the tower in July of this year?

The Witness: That is correct.

The Court: Do you know where they are?

The Witness: No, sir.

The Court: All right.

Mr. Bolan: I just wanted to find out whether he knew that they were—whether those records were given to the junkman with the knowledge that they were involved in Mr. Lennon's indictment.

Mr. Feldman: Your Honor, I think that is completely prejudicial.

The Court: You don't need to go into that.

Mr. Bolan: All right. I will withdraw the question.

The Witness: May I say that anything—everything in the tower was completely destroyed.

Q. Yes, sir. I understand that.

The Court: It was burned or waterlogged.

The Witness: That is right.

Q. As president of the Tenants Protective Association did you have occasion to receive or view the bank statements as they came in with respect to that organization? (726) A. Never looked at them, sir.

Q. Do you know who it was that did receive them? A. I would say whoever were the signers on checks then, or the vice-chairman who operated in my absence, which was considerable, because I was in Washington.

Q. Who was present when you ordered the $3,000 to be paid to Mr. Klein? A. I am trying to think who would be there. I would say it would be Mr. Jackson, Mr. Hampton, Mr. Lennon. It may have been a fifth person, too; I am not sure.

Q. You say you ordered this $3,000 paid to Mr. Klein because——

The Court: He has already testified to that.

Mr. Bolan: All right.

Q. Do you know as president of the Tenants Protective Association whether the Tenants Protective Association filed income tax returns? A. No, I do not know.

Q. You have no knowledge of that. A. No; I know it

is an incorporated body, non-profit, non-partisan, under the laws of the State of New York.

Mr. Bolan: I have no further questions.

(727)

Cross examination by Mr. Feldman:

Q. Dr. Powell, up until your appearance on the witness stand this morning has anyone from the Government ever attempted to talk to you or talk to you concerning your knowledge of these matters that you were interrogated on this morning? A. No one, sir.

Q. There were two questions in there: One is, did anyone attempt to talk to you? A. No, sir.

Q. And the other one was did anyone talk to you from the Government? Did anyone from the Government talk to you? A. No one, sir.

Q. Tell me this, Dr. Powell. So far as you know, concerning the operation of TPA, were those records destroyed to forestall any effort by the Government to prosecute this case? A. I can't say yes or no to that.

Q. Do you know of anything in those records, Dr. Powell, which would in any way reflect on you or on the operation of TPA? A. I do not know. I don't think so.

Q. Has anybody from the Government, either (728) Federal or State, made any effort, Dr. Powell, to discuss the tax status of TPA? A. No, sir, not that I know of. They may have discussed it with some other officer.

Q. But as far as you know. In discussing the work that Mr. Lennon did with regard to the sale of these Dorie Miller apartments, as I understand it from your testimony, you instructed Mr. Lennon to work on that? A. I requested Mr. Lennon and Mr. Hampton and all of our

staff to do their best to aid this worthy project because we needed new housing especially for my people.

Q. So far as you know was that request carried out? A. To cooperate?

Q. Yes. A. Oh, yes. We sold apartments, and the buildings are there; and they are fine, and people are happy.

Q. And you knew, did you not, at the time that this was going on that Mr. Lennon was doing this; is that right? A. Mr. Lennon was one of those; yes, sir.

Q. One of the persons who was doing this? (729) A. That is correct.

Q. And so far as you knew, Doctor, was Mr. Lennon doing this as a personal business enterprise or as part of his duties and someone affiliated with you and with the Tenants Protective Association? A. Not as a personal business enterprise.

Q. Not as a personal business enterprise? A. Not as a personal business enterprise, as far as I knew.

Q. Tell me this: You were questioned quite extensively as to the closeness of your association with Mr. Lennon. How long have you known him? A. Oh, I don't know how long; I have known him many, many years.

Q. You talked about his work with the use of the center, is that right? A. That is right.

Q. Now, as I understand your testimony, Dr. Powell, it was Mr. Lennon's function in the community center to work with the children, is that right? A. The boys especially.

Q. Was that under your direction? A. Well, as the minister in charge of the church and the community house, yes.

(739)

Q. Who had appointed him? A. Oh, I appointed him. But only with the approval of the director of activities.

Q. I understand. You selected Mr. Lennon as a person being particularly fit to work with children? A. Oh, yes.

Q. And how long had he been working with children, Dr. Powell, so far as you know? A. I don't know. But I know recreation and juvenile club work was one of the things that he had done before he came to me.

Q. Now, of your own knowledge, Doctor, do you know whether or not Mr. Lennon ever was a partner of Mr. Ford's? A. Not in the sense of being the partner, but in the sense of being one of those working with Mr. Ford in Mr. Ford's tax business, yes.

Q. Mr. Ford actually ran that tax business himself? A. He surely did.

Q. From a political hierarchial point of view, while Mr. Ford was there——

The Court: That is a little bit complicated. Hierarchy relates to the church as a rule and political (730a) relates to government. So I think you are getting into a rather involved sentence.

Q. Well, blocking the matter for your Honor, from the point of view of politics, Dr. Powell, while Mr. Ford was with you, who occupied top dog position? Mr. Ford or Mr. Lennon? A. Oh, Mr. Ford.

(731)

Q. As a matter of fact, so far as you know, it was Mr. Ford who directed Mr. Lennon, is that right, in his political activities in your behalf, while Mr. Ford was there?

A. Yes, when I was not present, when I was not in town, yes.

Q. I understand. Dr. Powell, in addition to your association with the defendant politically and in church work, that is, council house work or community house work, were you also Mr. Lennon's personal minister? A. Oh yes, yes.

Q. Tell me this, Dr. Powell, in the course of your personal ministry with Mr. Lennon did you come to learn the nature and extent of his family? A. Yes, I did.

Q. Now are you in a position, Dr. Powell, to tell us how many children does Mr. Lennon have? A. As a minister, and the confidences that I have with parishioners, I beg leave not to answer that question.

Q. Do I understand your statement to be, Dr. Powell, that as Mr. Lennon's personal minister you are a holder of confidence from Mr. Lennon? (732) A. Oh yes, all my communicants.

Q. Does this relate specifically to the question of children? A. It relates generally to all questions.

Q. Well, do you hold any confidence from Mr. Lennon with regard to children?

The Court: Mr. Lennon of course is in the position to waive any privilege if he wishes to do so. But Dr. Powell does not have to answer any confidential question.

Mr. Feldman: Then I will withdraw it.

The Court: Unless the privilege is waived.

Mr. Feldman: I will withdraw the question, your Honor.

The Court: So that the jury will understand,

confidential communications to a priest or minister, the minister or priest cannot be compelled to reveal them, and if the person whose confidence is given to him says, "I have no objection," then he can. Just the same as a doctor or lawyer. The same privilege extends to ministers.

Q. So far as you know, Doctor, going back to this question of $3000, you directed that $3000 be given from the funds of TPA to Mr. Klein? (733) A. Yes. I suggested it, suggested, which would be a better word, but I guess I suggested it, which would be the expression.

Q. So far as you know, Doctor, was it the practice with regard to the operation of TPA to sign checks in blank in advance? A. Yes, it was, unfortunately.

Re-direct examination by Mr. Bolan:

Q. Did you say unfortunately, sir? A. Yes, unfortunately. I don't think it is good business.

Q. Why— A. It is bad business practice to do it.

Q. In this particular situation do you have any reason for saying it was unfortunate that— A. Oh no, not in this particular situation, just in general.

Q. But in this case it wasn't unfortunate? A. Just in general is unfortunate that anyone should sign checks in blank.

Q. You say that Mr. Lennon worked with the youth of the church, is that right? A. That is right.

Q. About how much of his time did he devote to (734) those activities say during the years 1949, 1950 and 1951? A. I would say it would average about three hours a day, not counting of course teaching in the sunday school.

Q. And I take it that the rest of the time he devoted

himself to his duties as your congressional secretary? A. You see, we operate from 9 o'clock in the morning until 11 and 12 at night some time. And there is no set schedule. My people put in 60, 70, 80 hours work, which is against the Wage and Hour Law.

Q. And do you know how much time he spent in the tax service when he was in charge of it? A. No, I do not know. It would be roughly a month or two before income tax filing date.

Q. When he was selling these apartments do you know how much time he devoted to that activity? A. No. Everybody was working on that. We had the office open all day and evening.

Q. When you say everybody, did anyone else, apart from Mr. Lennon and Mr. Hampton, sell apartments for the Dorie Miller Project? A. No, they would be the final ones for the final (735) application.

Q. And did you assist them in any way in connection with selling those apartments? A. Oh yes; I mentioned it from the pulpit, wrote letters, got Mayor Wagner to endorse it and used his name on posters; got my colleague Congressman Javits, now Attorney General, to do the same. I had about 15 prominent people in New York who gave their names to the posters which were put up all over the streets of the community.

Q. While Mr. Lennon had all these activities did he also operate a luncheonette?

Mr. Feldman: Your Honor, there is no such issue in this case. We have a very simple tax issue here.

The Court: I think we do. What difference does it make?

Mr. Bolan: Mr. Feldman brought up the question about working with the youth. I am trying to find out how much time he could have devoted to the youth if he had——

The Court: I will allow the witness to answer whether the defendant also ran a luncheonette.

The Witness: He owned a luncheonette, but he (736) didn't work in it; his wife was in charge of it.

Q. You say he never worked at that luncheonette? A. Not that I know of, because one of his problems always to me was where can he get someone to help in the place because he did not have the time.

Q. Did Mr. Lennon also have a job beginning the end of 1953 as resident agent of the Dorie Miller Apartments? A. Yes, sir. I think he and Mr. Hampton were the managers of the Dorie Miller Apartments.

Q. Do you know how much time Mr. Lennon devoted to that activity? A. No, I do not know.

Q. Do you have any idea? A. No, none whatsoever.

Mr. Bolan: I have no further questions.

The Court: Let me look at Exhibit 20.

(Mr. Bolan hands exhibit to the Court.)

The Court: Do you wish to reoffer this, in view of the witness's statement in answer to cross-examination?

Mr. Bolan: Yes, your Honor, I do.

The Court: Mr. Feldman, in view of the questions that you asked this witness on cross- (737) examination, isn't the Exhibit 20, at least one sentence of it, properly admitted now?

Mr. Feldman: For the very same reason that

it was improper at the time that I objected when it was offered on the Government's direct.

The Court: You opened that issue up.

Mr. Feldman: I did not open it. It was opened on direct——

The Court: Give it back to me.

I will allow it to be received in evidence, not as to the facts in the case but as to this witness's understanding as to the relationship between Ford and Acy Lennon in the income tax business. The witness has testified on cross-examination that he did not understand that they were the partners in the business. Now this letter apparently seems to be contradictory of that in part as to his understanding.

Mr. Feldman: First of all I do not think it is, your Honor, and, secondly, it does not make it any more admissible because we are not dealing with this witness as a defendant. We are dealing with this witness as someone coming in here testifying as to a legal relationship.

The Court: That is right.

(738)

Mr. Feldman: If it is being offered, if the Government is offering the letter now for the purpose of impeaching this witness, if they are offering this letter for the purpose of saying to the Court and jury that this witness is not telling the truth——

The Court: That is not it. But the witness apparently—as I understood your testimony you did not understand that Mr. Lenonn and Mr. Ford were the two who ran the tax business?

The Witness: That is correct. Mr. Ford ran it

absolutely. Lennon may be and probably was his chief lieutenant, but Mr. Ford operated it exclusively.

The Court: Do you wish to offer it or not?

Mr. Bolan: I will withdraw the offer, your Honor.

The Court: All right.

Mr. Bolan: I do have another question.

By Mr. Bolan:

Q. When Mr. Lennon was operating the tax service from the Abyssinian Baptist Church Community House, was he charged with any rent? A. No, sir.

Mr. Bolan: No further questions.

(739)

Re-cross examination by Mr. Feldman:

Q. When Mr. Ford operated his tax service was Mr. Ford charged any rent? A. No, sir. We charged no rent for any activities.

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(777)

HANLEY J. BULSON, called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Mr. Bulson, what is your occupation? A. I am employed by the Internal Revenue Service, Office of the Regional Commissioner, Intelligence Division.

Q. What position do you have? A. I am a group supervisor.

Q. And how long have you been with the Internal Revenue? A. Well, that is close to eleven years.

Q. During your employment you have acted as a special agent of the Internal Revenue Service, is that correct? A. Yes.

Q. While you were a special agent, did you commence an investigation into the income tax returns of (778) a man named Acy Lennon? A. Yes.

Q. Now, during the course of that investigation did you make an effort to obtain certain documents of Tenants Protective Association? A. Yes.

Q. What documents did you attempt to obtain? A. I wanted to obtain the books and records of the association and I went up on the 6th of May, last year, accompanied by another agent, Ralph Sorrentino, to the Abyssinian Baptist Church, and I met Mr. William J. Hampton, and I asked him for the records of the Tenants——

Q. Did he have a connection with the Tenants Protective Association? A. He was an officer, I believe.

Q. All right. A. I asked him for the records of Tenants Protective Association, and he left the room we were in and came back a short while thereafter with some records. He had a card file and an envelope. And the card file contained 4 by 8 cards indicating——

Mr. Feldman: May we just not have the witness testify as to what was on the cards?

(779)

The Court: Don't tell us what was on the cards.

A. The card file consisted of 4 by 8 cards and the envelope contained a deposit book of the bank account of the Tenants Protective Association in the Corn Exchange Bank. And they were—and there were also some bank statements I believe from about April, 1954 to around March, 1955.

And I asked Mr. Hampton if there were any other records——

Mr. Feldman: If your Honor please, any conversation with Mr. Hampton is not binding on my client and the subject at this point is quite remote from Mr. Lennon.

The Court: All right, so understood. He asked Mr. Hampton if there were any other records, and then what was Mr. Hampton's answer?

Mr. Feldman: I object to any conversation at which my client was not present.

The Court: Did you get any other records?

The Witness: No, your Honor.

The Court: All right.

Q. As the agent in charge of the case, would you have been in the position to know whether any other (779a) agent of the United States had obtained those records? A. I would have been in that position, yes.

Q. Did any such information come to your attention? A. No.

Q. Did you procure from the Tenants Protective Association, or any individual, any records of the Tenants Protective Association?

Mr. Feldman: Your Honor, at this point I assume that all of these questions relating to the

Tenants Protective Association are being taken subject to the same objection that was made at our last session.

The Court: That is right, they are. Go ahead.

Q. Did you take into your custody any records of the Tenants Protective Association, or from any individual? A. No.

Q. And do you know if any other agent of the Government took into custody any records of the Tenants Protective Association? A. Not to my knowledge when I had jurisdiction over the case.

Q. Well, now, did someone succeed you in that (780) jurisdiction? A. Yes.

Q. Who was it? A. Special Agent Morris Emanuel.

Mr. Bolan: I have no further questions.

The Court: Any cross examination?

Mr. Feldman: None at all, your Honor.

The Court: All right, you are excused. Next witness.

(Witness excused.)

Mr. Bolan: Now, I would like to call Mr. Emanuel, your Honor.

The Court: All right.

MORRIS J. EMANUEL, called as a witness on behalf of the Government, being first duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. What is your occupation, Mr. Emanuel? A. I am a special agent of the Intelligence Division, Internal Revenue Service.

Q. And how long have you been in that position? A. I have been in that position a little over three years.

(781)

Q. How long have you been with the Internal Revenue Service? A. Sixteen and a half years.

Q. Did there come a time when you took over the supervision of an investigation of the defendant, Acy Lennon? A. There did.

Q. From whom did you take that supervision? A. From Special Agent Hanley J. Bulson.

Q. Now, you have been in charge of the case since that time, is that right? A. That is right.

Q. Now, during the time that you were in charge of the case did you obtain any records of the Tenants Protective Association——

Mr. Feldman: Your Honor——

Q. —of any kind from any source?

Mr. Feldman: Your Honor, at this point I assume that this testimony with regard to the TPA is subject to the same objection.

The Court: Connection.

Mr. Feldman: Connection, yes.

The Court: Yes.

A. I did not.

(782)

Q. And would you have been in a position to know whether any other agent of the Government obtained such records? A. I would.

Q. And did any such information come to your attention? A. Not to my knowledge.

Mr. Bolan: No further questions.

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(800) * * *

GLEN D. SMITH, called as a witness on behalf of the Government, being duly sworn, testified as follows:

Direct examination by Mr. Bolan:

Q. Mr. Smith, what is your occupation? A. I am a technical adviser.

(801)

The Court: Speak up so that everybody can hear you.

A. Technical adviser in the Internal Revenue Service at 90 Church Street.

Q. Well, before we go into your duties, would you briefly state your educational background? A. Well, I have a master's degree in accounting.

Q. And where did you obtain that, sir? A. At Benjamin Franklin University, in Washington, D. C.

Mr. Feldman: Your Honor, I don't mean to interrupt, but I can't hear him.

The Court: You will have to speak up louder. Shout. This is a big barn of a courtroom, so you will have to talk pretty loud.

Q. Does that school specialize in accounting, Mr. Smith? A. It does. It is the equivalent of what used to be termed the Pace School here in New York. It is a similar school.

Q. Now when did you join the Internal Revenue Service? A. Early in 1935.

(802)

Q. And how long have you been in the office of the Regional Counsel as technical adviser? A. Since July of 1952.

Q. What are your duties as technical adviser? A. Well, I render technical advice concerning tax matters and any other questions about taxes that the Regional Counsel would like to know.

Mr. Feldman: I can hardly hear the witness.

The Court: You are letting your voice drop and they can't hear you. Just speak out loud.

The Witness: Thank you, your Honor. I will do better next time.

Q. Are you familiar with the technical features of the tax laws, particularly with respect to income taxes? A. I am quite a bit familiar with it.

Q. And you have examined literally thousands of re-

turns and audits in your duties; is that correct? A. Yes, I have.

Q. And have you ever testified as a tax expert? A. Yes, I have. Several times.

Q. About how frequently do you testify as an expert? A. I would say it is about two or three times (803) a year. Is that loud enough?

The Court: A little louder. Do you want a glass of water, if that will help?

The Witness: That is what I need.

Mr. Bolan: Your Honor, I submit that the witness is qualified.

The Court: Well, don't you submit anything. Ask your next question.

Mr. Feldman: Your Honor, may I have a voir dire examination on the witness's qualifications to testify in this case?

The Court: I don't know what he is going to testify about.

Mr. Feldman: Well, that is the subject of——

The Court: Let us have the question first that he is going to testify about and then we will see whether a voir dire is needed.

* * * *

(806) * * *

Q. Mr. Smith, assume that a taxpayer operates an income tax service and in connection with operating that tax service prepares returns for clients who pay this taxpayer fees for preparing those returns. Is the taxpayer under the law required to report on his income tax return all of the gross receipts received from such business?

The Court: Objection sustained. That is a question of law. It is not a question that you need any testimony on.

Mr. Bolan: All right.

Q. Mr. Smith, assume that a taxpayer lists on his return two dependents to which he is not entitled, will you please state what effect that has on the taxable income of the taxpayer?

Mr. Feldman: Your Honor, I most certainly——

The Court: I will allow that because that is not a question of law. That is a question of what the mathematical results would be of doing that (807) I will allow that question.

Mr. Feldman: Your Honor, this is hypothetical, and there is no evidence in this case whatever that this taxpayer was not entitled to his six exemptions.

The Court: Well, that I think may be open to question at the present time. I mean, there has been some testimony to the contrary. I will allow the witness to testify what the effect would be from a tax standpoint, dollar and cents standpoint, of claiming additional exemptions.

Mr. Feldman: Well, your Honor, I most respectfully except and point out to the Court that no witness, no expert witness——

The Court: Don't sum up now.

Mr. Feldman: No.

The Court: I have ruled on this.

Mr. Feldman: I am stating my objection so that the record may be clear. That no expert witness can testify or give his opinion as to any matter which is not in evidence in the action before us.

The Court: That is right. But there is an issue here which has been made that the defendant improperly claimed certain exemptions.

(808)

Mr. Feldman: That is not the issue, your Honor.

The Court: What is that?

Mr. Feldman: That is not the issue.

The Court: That is the issue charged in the indictment and in the bill of particulars. And that is one of the issues. Whether it is proved or not is a question which is not before us.

Now the issue as to what affect that would have in evading or defeating taxes is the sole point on which I will allow this question, and that is, when you list your dependents on an income tax return is it merely a matter of information which does not affect your taxes or does it have some effect on defeating the amount of taxes that you have to pay. From that standpoint I will allow the witness to answer the question.

Mr. Feldman: May I be at this time permitted a voir dire to determine whether or not the witness can answer the question?

The Court: No, you can cross-examine him on it. All right.

Mr. Feldman: Exception.

(809)

A. That would decrease the taxable income in the amount of $1200. $600 for each dependent claimed. The result is there would be less tax due if there were a tax due.

Q. Mr. Smith, I show you Government's Exhibit 1, the 1949 income tax return of the defendant, and ask you what is reported on that return as net income for that year?

Mr. Feldman: Your Honor, the return speaks for itself.

The Court: All right. It will be before the jury. But he can give that as a preliminary question.

What is the answer?

A. The net income shown for this return is $3091.25.

Q. Now what does the return show with respect to dependents claimed by Acy Lennon?

Mr. Feldman: The same objection.

The Court: As a preliminary question, I will allow it.

A. It shows six dependents; at $600 apiece would be $3600. That is the total dependents taken.

Q. Now what does the return show is the report (810) of tax due by the defendant for that year? A. None. It shows no tax due.

Q. Now assume that the defendant was not entitled to claim Acy, Junion, and William as dependents for the year 1949, and assume further that in addition to the net income shown on that return the defendant had additional income in the amount of $1300 received from Joseph Ford for services rendered in assisting Mr. Ford in his tax service.

Would there be an additional tax owing beyond that which is reported on the tax return?

Mr. Feldman: Your Honor, there is no evidence in this case that the defendant was not entitled to take six exemptions, nor is there any evidence——

The Court: That is summing up. Do you have an objection to this question?

Mr. Feldman: It is an improper hypothetical, if the witness is being asked a question on an issue which is not in the case.

The Court: There has been evidence in the case on these issues; whether the jury will accept it or not is up to them. But the evidence is certainly in the case that these two dependents were not known (811) to at least his daughter as sons. Now you can put in any defense you want or any argument that you want, but there is sufficient foundation for that hypothetical question to be asked. So I will overrule the objection.

Mr. Feldman: I respectfully except.

Q. Would there be an additional tax due and owing beyond that which is reported on the return? A. There would be a tax due and owing. The return shows none. Under the facts as stated in your question, the tax would be $380.36, so that would be a deficiency of $380.36.

Q. You have computed that deficiency, is that correct? A. I have, yes, sir.

Q. Do you have your computations with you? A. I have.

(Government's Exhibit 23 marked for identification.)

Q. Are those computations reflected in Government's Exhibit 23 for identification? Is the computation of the

tax deficiency which you have just testified to for the year 1949 reflected in Government's Exhibit 23 for identification? A. Yes, sir.

(812)

Q. Well, now, I show you Government's Exhibit 2, the 1950 tax return of Acy Lennon, and ask you to state what that return shows as the net income for the defendant in that year?

Mr. Feldman: Same objection, your Honor.

The Court: Overruled.

Mr. Feldman: Exception.

A. $ 086.20 is the net income shown by this return.

Q. And what does that return show with respect to dependents claimed by the defendant? A. It shows six dependents, amounting to $3600.

Q. And what does that return show as to tax owing by the defendant? A. This return shows no tax owing or due.

Q. Well, now, assume that the taxpayer is not entitled to claim Acy, Jr. and William as dependents, and further assume that in addition to the income reported on that return the taxpayer had an additional income of $1700 received from Mr. Joseph E. Ford for services rendered by the defendant in assisting Mr. Ford in his tax service, would there be an additional tax owing?

Mr. Feldman: Your Honor, same objection. (813) There is no evidence in this case that Acy, Jr. or William were not dependents.

The Court: Overruled.

Mr. Feldman: Exception.

A. There would be an additional tax in the year 1950.

Glen D. Smith—for Government—Direct

Q. And what would the additional tax be? A. $502.20.

Q. And have you computed that tax? A. I have.

Q. And are your computations for that tax reflected in Government's Exhibit 23 for identification? A. They are.

Q. I show you Government's Exhibit 3, the 1951 tax return of the defendant, and ask you what that return shows as net income for the tax payer in that year? A. $3,159.40 is the net income shown by this return.

Q. And what does that return show as the dependants claimed by the defendant? A. It shows six dependents amounting to $3600.

Q. And what does the return show as the amount of tax due and owing? (814) A. The return shows no tax due or owing.

Q. Now, assume that the defendant was not entitled to claim as dependents Acy, Jr. and William during that year, and further assume that in addition to the income reported on that tax return he received an additional income of $1600 from Mr. Joseph E. Ford for services rendered by him to Mr. Ford in Mr. Ford's tax service, would there be an additional tax owing beyond that which is reported in 1951 tax return?

Mr. Feldman: Your Honor, there is no evidence in this case upon which this witness can give an expert opinion in response to a hypothetical question with regard to dependents, or for that matter with regard to the payment to the defendant Lennon of $1600.

The Court: Well, this witness has not testified as to the existence of dependents; he has not testi-

fied as to the payment of additional income. What he is saying is that if that additional income were received by this defendant and if two of the dependents claimed on the return, Acy, Jr. and William, were not dependents then the net result would be that there was more tax owing. That is what he is giving his expert opinion on.

(815)

Mr. Feldman: Your Honor, I do not think that any expert witness can give testimony to a court and jury on evidence which is not in the case.

The Court: Well, there is sufficient evidence in the case on those two issues to allow the witness to give his expert opinion as to what the tax would be based upon that.

Now, whether the proof is sufficient or not is, of course, a question for the jury.

Mr. Feldman: I respectfully except.

The Court: All right. The witness may answer.

A. There is a tax due which is in the amount of $481.32.

Q. And you have made computations reflecting that deficiency, Mr. Smith? A. Yes, I have.

Q. And are those computations reflected in Government's Exhibit 23 for identification? A. They are.

Q. I show you Government's Exhibit 4, the 1952 tax return of Acy and Beatrice Lennon, and ask you what that return shows as the net income of the taxpayers? A. $2,657.63 is the net income shown by this re- (816) turn.

Q. And what does that return show as to dependents claimed by the taxpayer? A. This return shows six dependents amounting to $3600.

Q. And what does that return show as to the amount of tax due and owing? A. This return shows no tax due or owing for 1952.

Q. Now, assume that the defendant was not entitled to claim as dependents during that year Acy, Jr. and William, and further assume that in addition to the income reported on that return the defendant had an additional income of $1500, received by him for services rendered in selling Dorie Miller apartments, would there be an additional tax due and owing?

Mr. Feldman: Your Honor, we now amplify the objection, because we now have the TPA commissions, and I say there is no evidence in this case that connects this defendant with receiving $1500 in income, and that, of course, objection is made with the other arguments that I made with regard to the other questions that have been asked.

The Court: I overrule the objection, but (817) I want to ask the witness a question after he answers this. Go ahead and answer the question.

Mr. Feldman: Exception, your Honor.

A. There will be a tax due and the amount is $390.19, and that covers the deficiency in tax for the year 1952.

Q. And have you made computations which arrive at that deficiency? A. I have, sir.

Q. And are those computations reflected in Government's Exhibit 23 for identification? A. They are.

The Court: Let me ask you, sir, if in that particular year, which is 1952, I believe, you eliminated this $1500 commission on sales of apartments, but still kept the hypothetical situation that the de-

fendant had claimed two additional dependents that he was not entitled to claim, would there have been any tax due?

The Witness: It will take me a minute, your Honor.

The Court: It should not take longer than that.

The Witness: No.

The Court: All right.

(818)

The Witness: There would be a tax due, and do you want the amount, sir?

The Court: Approximately, yes.

The Witness: Approximately $50.

The Court: Approximately $50 would have been due in that event?

The Witness: Yes.

The Court: All right.

The Witness: I beg your pardon, I computed that too hastily.

The Court: All right, give it again.

The Witness: I would like to compute that again and change it.

The Court: It would be about $32, wouldn't it?

The Witness: I get approximately $31.

The Court: $31.

The Witness: Yes.

The Court: All right.

(905)

Mr. Bolan: The Government recalls Mr. Paul Klein as the next witness.

PAUL KLEIN, recalled as a witness on behalf of the Government, having been previously sworn, testified further as follows:

Direct examination by Mr. Bolan:

Q. Mr. Klein, has your recollection been refreshed in any way as to the subject matter of your previous (906) testimony? A. No, sir, I don't recall anything about what we talked of.

Q. I would like to go back on a point that I don't think I covered fully previously:

You stated that prior to your appearance in the Treasury Department and before the grand jury that when you got a call to come down you called the defendant Lennon, is that correct? A. Either Lennon or Mr. Hampton.

Q. In any event, you did see the defendant Lennon with Mr. Hampton after that? A. Yes, sir.

Q. Well, now, will you state exactly what was said by—first, was there anyone else present? A. I don't think——

Mr. Feldman: Your Honor, I submit that this has all been gone over when Mr. Klein was originally on the stand, and I think recalling him for such purpose is highly prejudicial.

The Court: Let me just say that we are not going to have this whole thing gone over once again, but just to see what we are getting to, what is the next question, Mr. Bolan?

(907)

Mr. Bolan: All right.

Q. State exactly what was said by the defendant, by

Mr. Hampton and yourself at that meeting. A. I don't know if I can state it exactly.

Q. Well, as far as you can recall, and when was this, sir, before you go any further? A. I think you mentioned the date that I was——

Q. Well, you signed the Treasury statement in May, 1955. A. In May?

Q. Yes. A. Well, if it was very early in May, then it might have been late April. It was following the phone call from the Treasury Department.

Q. Will you proceed? A. And subject to one other confusion or lack of memory on my part, I don't know that I can give verbatim a particular statement of a particular individual, but it was either the statement of the defendant or the other gentleman.

Q. Yes.

Mr. Feldman: Your Honor, in the light of that and in view of what has developed at this trial up to this point how can any testimony by this witness be binding upon the defendant?

(908)

The Court: The witness said that he talked to the two of them together, and Lennon was present with Hampton.

What in substance was said? That is what Mr. Bolan's question is.

Mr. Bolan: Yes, sir.

The Court: All right. What was said?

The Witness: In general terms, Mr. Bulson, if that is his name, the gentleman from the Revenue Department, said he wanted to talk to me. I don't know exactly what he said, something to the effect

of a check relating to Mr. Lennon and Mr. Hampton, or one of them, I don't know.

So I said I would be glad to see him.

Well, I called one of them, or both of them, and I said, "What is this all about?"

They said, "Well, come on up."

Mr. Feldman: Your Honor, this is highly equivocal testimony, "I called one of them or both of them."

The Court: He said he called one of them or both of them and they said, "Well, come on up."

Mr. Feldman: Yes.

The Court: Now, did you talk to both of them (909) together?

The Witness: Yes.

The Court: All right. What was said at that time?

The Witness: The effect was, "Do you remember in '52 when you borrowed a sum of money from me or from us?" whichever one was talking.

"No, I didn't" was my answer.

They reminded me about the Congressman's heart attack, and that I had been out at Westhampton, and I remembered the situation about the turmoil of the occasion, both my own personal episodes at the time, and the general hectiqness of the time.

One or the other of them said, "Well, that was the time when you needed the money and you asked the Congressman for it."

I said, "It surprises me. You remember it exactly," but I certainly was not surprised.

And he said, "Who told you to see us or me?"

And one of them was saying this, "And we came up and we lent you $3,000."

As they spoke about it, I thought about it. I began to see if I remembered it.

Q. Well, just state what you recall as to what (910) was said. A. Well, that was the conversation at that time, and I asked a few questions to try to refresh my memory, and as they answered them I became satisfied in my mind——

Q. State what you recall what you said to them. A. That is about it. I can't remember the exact questions I asked, but they were ones to try to sharpen my own memory of the situation that they were attempting to recall to me.

And by the end of the conversation they had satisfied me that this had occurred, and I thought I remembered it as such.

Q. Well, now, you appeared in my office in March of this year, is that right? A. I don't know the date.

Q. Yes? A. But I did appear, yes, sir.

Q. Yes. And you told me substantially what you have just said now as to what took place at that meeting? A. I think so, yes.

Q. And did you also tell me that you had no recollection personally as to whether the incident that the defendant and Hampton told you about had occurred?

Mr. Feldman: Your Honor, I am going to object. (911) How is this binding on the defendant, a conversation between this witness and Mr. Bolan?

The Court: Sustained.

Mr. Bolan: Your Honor, I am trying to refresh the witness's recollection.

The Court: You tried for a long time to refresh this witness's recollection.

Mr. Bolan: Yes.

The Court: See if there is something new.

Mr. Bolan: All right.

Q. Did I suggest to you the method whereby——

Mr. Feldman: Your Honor——

A. ——you might refresh your recollection?

Mr. Feldman: ——this is highly improper.

The Court: Well, I sustain the objection.

Q. Have you done anything to refresh your recollection since that meeting with me in my office? A. Yes, sir.

Q. What did you do? A. You suggested that I speak to Congressman Powell——

Mr. Feldman: Your Honor, I object. How is this binding on the defendant?

The Court: I will allow that.

(912)

You say you talked to Congressman Powell?

The Witness: Yes.

The Court: When did you talk to him?

The Witness: Soon after the conversation with Mr. Bolan.

The Court: And when was that?

The Witness: As a rough guess, if I saw Mr. Bolan in mid-March, it was by the end of March.

as soon as I could get him between his Washington schedule.

The Court: You talked to Congressman Powell, all right.

The Witness: Yes.

By Mr. Bolan:

Q. And what transpired?

Mr. Feldman: Well, your Honor, I am certainly going to object to any conversation between the witness and the Congressman as having no effect or not being binding on my client.

The Court: Well, this is rebuttal. The Congressman testified yesterday.

Mr. Feldman: The Congressman testified not as my witness but he was a Government witness.

The Court: Maybe so, but let us get the facts.

Mr. Feldman: Your Honor, I will certainly ob-
(913) ject to any conversation being placed on the record between this witness and the Congressman. This is pure and unadulterated hearsay.

The Court: Well, I don't know that it is hearsay: it is a question of what actually happened, and anything that this witness knows about it, why, I think we should have.

Mr. Feldman: If two people decide to play hop scotch in Central Park, it does not mean that it is binding on my client.

The Court: No, it does not in any manner. However, I will allow you to ask whether there was any conversation with the Congressman or whether that

conversation with the Congressman refreshed the witness's recollection.

Did it?

The Witness: No, sir.

The Court: It did not?

The Witness: Well, it increased my feeling about what my recollections were, but it did not add to them.

The Court: It confirmed your previous recollection?

The Witness: No. On the newer recollection.

(914)

The Court: Your newer recollection?

The Witness: Yes. He said he knew nothing about it.

Q. The Congressman stated he knew nothing about it? A. Yes, sir. He said he couldn't remember——

Mr. Feldman: Your Honor, I am going to object and ask that this be stricken.

The Court: Oh, I will allow that. That does not make any difference.

Mr. Feldman: Exception, your Honor.

Q. And nothing since that time has refreshed your recollection in any way, is that right? A. Yes.

Q. And that discussion with the Congressman reaffirmed your present feeling that you do not recall anything about the incident, is that right? A. Yes, sir, that is right.

Mr. Bolan: No further questions.

Mr. Feldman: Your Honor, I object and ask that the witness's answers be stricken.

The Court: No, I will deny that motion.

Any cross examination?

Mr. Feldman: No cross examination, your Honor.

The Court: You are excused.

* * * *

October 16, 1956

(991) * * *

CLYDE NOEL, called as a witness on behalf of the defendant, being first duly sworn, testified as follows:

Direct examination by Mr. Feldman:

Q. Mr. Noel, where do you reside? A. 409 West ~~129th~~ Street, New York City.

Q. And by profession, what profession do you practice? A. Accounting.

Q. And how long have you been an accountant, Mr. Noel? A. Since 1950.

Q. And by whom are you employed now? A. New York City Comptroller's Office.

Q. And in what capacity are you so employed? A. As an accountant.

Q. Now, Mr. Noel, do you know the defendant, Mr. Lennon? A. I do.

Q. And did you during the course of your career ever work for Mr. Lennon? (992) A. I have.

Q. And in what year did you work for Mr. Lennon?

A. I think it was '52, '53, '54, something like that. It was three years.

Q. '52, '53 and '54? A. I believe those were the years.

Q. And in what capacity did you work for Mr. Lennon? A. As an accountant, I guess you would call it. I was filling out income tax returns.

Q. Was that at Mr. Lennon's tax service? A. Yes.

(998) * * * * *

Cross examination by Mr. Bolan:

Q. Mr. Noel, you were a full time employee at this tax service? A. Part of the time.

Q. Well, about how much of the time? I say full time, when you worked at the tax service, were you there as a full time employee of the tax service? A. No, I was free to come and go as I chose. If I had business of my own to take care of, I would leave.

Q. Yes. But during the time that you did work for Mr. Lennon, how frequently did you leave? A. Well, say at the beginning of the season, the tax season, business was slow, I might come in, work three and three-quarter hours, four and three-quarter hours, five hours, five and a half, four and a half. Later on I got eight and a half hours, ten and a half, eleven hours, eleven and a half hours, like that.

(1000) * * * * *

Q. Now, while you were working for Mr. Lennon did you ever prepare any of his tax returns? A. I prepared one of his tax returns. I believe it was 1953 tax return.

Q. Well, I show you Government's Exhibit 4 and ask you if this is the tax return you prepared for Mr. Lennon? A. Yes, that is the one.

The Court: What is the answer?

The Witness: Yes, that is the one.

Q. Now, with respect to all of the items on that return, are they written in by you?

Mr. Feldman: Your Honor, I presume that Mr. Bolan is making the witness his own——

Mr. Bolan: Yes.

Mr. Feldman: Since this is not a subject of direct examination.

(1001)

The Court: I guess so. All right.

What is the answer? Did you write all those items in?

The Witness: Well, there's several pages here, your Honor, and I have to look them all through.

Q. Look through the entire thing. A. Well, on page 2 here, the figures are my handwriting, but the writing above, "Sources"——

The Court: We can't hear you.

A. On page 2, the item says "Other sources, state nature of income." The writing—the numbers are in my handwriting, but the writing which says "commissions, publications, etc.," that is not my handwriting.

The Court: How much was the item?

Mr. Feldman: What year was this, your Honor?

The Court: 1953.

The Witness: '52.

The Court: 1952?

Mr. Bolan: 1952 return.

A. The amount states $1,280.

Mr. Feldman: Which page is this? I am sorry.

The Witness: Page 2.

Mr. Feldman: Your Honor, it is there in the (1002) return, but there is no issue about the item in the case.

The Court: All right. I know. Go ahead.

What other items did you fill in?

The Witness: Well, Schedule C seems to be made out in my handwriting. Computation of self-employment tax, page 3, Schedule C, is not mine. The heading is mine, Acy and Beatrice Lennon, candy store, that is my writing, but the figures are not mine.

"Church dues and building fund" on page 3 of the 1040, that might be—that $450 church dues, that might be mine, and again it might not; I am not sure. But the rest of the figures are mine on that page.

Q. And that is your signature on the first page as being the person who prepared the return, is that right? A. That is right.

Q. Well, now, how did you prepare this return? Did Mr. Lennon ask you to prepare it? A. Well, I believe I can, not remembering exactly, but I believe he did ask

me, because I would not prepare it without him asking me to.

Q. You knew at the time Mr. Lennon was running (1003) the tax service, is that right? A. That is right.

Q. And you knew he had income from the tax service, is that right? A. Well, yes, I guess so.

Q. Well, now, which item of the return refers to the income from the tax service?

Mr. Feldman: Your Honor, I am going to object. There is no issue in this case that in 1952 there is unreported income from the tax service.

The Court: I will allow the witness to answer that question.

A. When I looked at it before, I didn't see any place on the return where there would be income from the tax service unless it was in, you know, that would be it (indicating), unless it might be under "Commissions, Publications."

Q. Unless it might be under "Commissions and Publications"? A. And publications, that might be the item.

Q. Those words, "Commissions and Publications" are not in your handwriting, is that right? A. That is right.

Q. Is the figure in your handwriting? (1004) A. The figures is in my handwriting.

Q. What did you do with the return after you completed it? A. Well, I gave it to Mr. Lennon.

Q. There is an erasure where it says "Commissions and Publications," is that right, sir? A. That is right.

Q. And was that erasure on it when you gave it to Mr. Lennon? A. As far as I can remember, I don't think it was.

Q. Now, you as an accountant knew of course that with respect to a tax service a Schedule C would have to be filed, is that right? A. That is right.

Q. Do you have any recollection of discussing with Mr. Lennon whether Schedule C should be filed with this return? A. No.

Q. Do you have any knowledge at all on the subject as to why a Schedule C was not filed with the return? A. No, I can't remember why it wasn't. Well, more or less, I would imagine that——

Mr. Feldman: Your Honor, may we not have any speculation, if the witness starts the answer, "I ima- (4005) gine"?

The Court: If the witness can answer, he can say whether he had any discussion.

Did you have any discussion about Schedule C with the taxpayer?

The Witness: Well, your Honor, this happened in 1952, and since 1952 I have prepared a lot of returns, and one return in 1952 I don't remember.

The Court: You don't remember. All right.

The Witness: And, like I said, I might have prepared it, I believe I prepared that from a questionnaire or I might have prepared it from some book that Mr. Lennon had given me. But exactly how I prepared it or the information that—the computations I examined to prepare it——

Q. Did Mr. Lennon ever show you any books showing his receipts from the tax service? A. No.

Q. He never did? A. No.

Q. You as an accountant normally would have such

books in preparing a return, is that right? A. That is right.

Q. But Mr. Lennon never did show you such books? (1006) A. No, he did not.

The Court: Let me see that return.

(Mr. Bolan hands to the Court.)

* * * * *

(1014) * * *

Re-cross examination by Mr. Bolan:

Q. Mr. Noel, while working for Mr. Lennon, do you know whether or not he did keep a record of his receipts? A. Well, as far as I know, he had some type of record of his receipts.

Q. And did he show you that record of his receipts when it came time to prepare the tax return? A. No.

Q. Was there any reason why you didn't ask him? A. Because I worked for—the year I filled out that return was for the prior year, and I didn't know if (1015) he had any records previous to that or not.

Q. You recall you were in my office a few days ago? A. Yes.

Q. And you recall Mr. Emanuel was there with me? A. Yes.

Q. Do you recall giving a different answer as to why you didn't ask Mr. Lennon for the tax receipts?

Mr. Feldman: Your Honor, I must point out to the Court at this point that the witness is both my own and Mr. Bolan's at this point.

The Court: I will overrule the objection. I

will allow the witness to answer whether he gave a different answer a few days ago.

Mr. Feldman: Exception.

A. Well, I gave a different answer?

Q. Yes. Do you recall that? A. Well, the answer that I probably gave you was that I was working for Mr. Lennon, and when you work for a person, you more or less, when you are working for them, you do what they say.

Q. Yes, that is right. You do recall telling me that? A. Yes, sir.

(1016)

Q. Well, now, with respect to—where is the return? A. I gave it back to you, I believe.

Q. With respect to the dependents listed there, did Mr. Lennon tell you that those dependents, the children, that is, the four children there, lived with him? A. I believe so.

The Court: Are you through, Mr. Bolan?

Mr. Bolan: I am through.

The Court: All right.

Mr. Feldman: Can I have the return, please?

(Mr. Bolan hands to Mr. Feldman.)

Redirect examination by Mr. Feldman:

Q. Do you have any direct recollection that Mr. Lennon told you in 1952 that the children lived with him? A. Direct recollection?

Q. Yes. Do you recall that? A. Well, let me go back

a little bit and try to get this straightened out. I said that I believe——

Q. I will withdraw the question. Let me ask you, did you have a copy of the 1951 tax return before you at the time that you did this tax return? A. I don't remember. I believe—I told you I believe I got the information either from a question- (1017) naire or some papers that were there, and that is the way I put the information down.

Q. So that you don't have actually, Mr. Noel, any precise recollection of any conversation with Mr. Lennon as to where those children lived? A. Well, it is hard to—1952 is hard to remember whether he said this, I said that, or who said this and who said that.

Q. I understand that. A. And you are trying to make me say yes or no and Mr. Lennon told me that he didn't live——

Q. No. A. I cannot say that, so that the end of it.

Q. That is exactly the point. I am not trying to get you——

The Court: Ask him a question.

Q. I am trying to determine now, Mr. Noel——

Mr. Bolan: I object as to what counsel is trying to do.

The Court: Yes. Just ask the question and the witness can answer the question. If you ask him questions, he will answer them.

Q. When you answered Mr. Bolan's question as to whether Mr. Lennon told you that the children lived (1018) with him, you said that Mr. Lennon had: A. Well, what I meant by that, that according to the return the children lived with Mr. Lennon, and I put down in the spot four children who lived with their parents.

Q. That is right.

The Court: If the children weren't living with Mr. Lennon, then you would have to put the address of the children on the return.

The Witness: On the return or somewheres.

Q. But you don't recall now whether you had any conversation with Mr. Lennon on that subject or not, is that right, sir? A. That is right.

Q. Is that right? A. I don't recall having any conversation with Mr. Lennon on where his children lived, whether it was his children. I believe it was either he gave them to me, probably, or——

Q. Or you took it off from some other records? A. And I put it down.

Q. And if it appeared that way in the other record, 1951 tax return, you would have copied——

The Court: He says he doesn't recall that. (1019) He said he got it either from Mr. Lennon or some piece of paper. That is what he says.

Mr. Feldman: I have no further questions.

Recross examination by Mr. Bolan:

Q. Now, you say you either put it down because Mr. Lennon told you or because of some record?

Mr. Feldman: Your Honor, I am going to object now.

The Court: To what?

Mr. Feldman: To this repetition.

The Court: You haven't heard the question yet.

Mr. Feldman: No, no.

The Court: All right. Let us have the question. I can't rule on objections until I see the ball coming over the plate, and then I can tell whether it is a ball or a strike. Now, let the question be asked.

(1020)

Q. Well, the question is this: you say you either talked to Mr. Lennon or he told you to put that down, or you put it down from some record? A. Yes.

Q. Now, this record that you speak of, is that a record that Mr. Lennon gave you and that you prepared the return from? A. Yes.

Mr. Bolan: That is all.

By Mr. Feldman:

Q. You don't know the nature of the record, is that right? A. I don't remember the nature of the record.

Mr. Feldman: I have no further questions.

The Court: You are excused.

(Witness excused.)

Government's Exhibit 1

1949 Income Tax return.

(OFFSETS)

[For convenience of Court and Counsel this Exhibit is bound in on the opposite page.]

Note

Page 161a (3 sheets)
is on Card 7.

Government's Exhibit 2

1950 Income Tax return.

(OFFSETS)

[For convenience of Court and Counsel this Exhibit is bound in on the opposite page.]

Note

Page 163a (5 sheets)
is on Card 7

Government's Exhibit 3

1951 Income Tax return.

(OFFSETS)

[For convenience of Court and Counsel this Exhibit is bound in on the opposite page.]

Note

Page 165a (4 sheets)
is on Cards 7 and 8.

Government's Exhibit 4

1952 Income Tax return.

(OFFSETS).

[For convenience of Court and Counsel this Exhibit is bound in on the opposite page.]

Note

Page 167a (6 sheets)
is on Card 8.

Government's Exhibit 14

Two affidavits of Paul L. Klein.

(OFFSETS)

[*For convenience of Court and Counsel this Exhibit is bound in on the opposite page.*]

Note

Page 169a (2 sheets)
is on Card 8.

Government's Exhibit 16

Certification charge.

(OFFSET)

[For convenience of Court and Counsel this Exhibit is bound in on the opposite page.]

This memo of charge represents a certified check or note which was outstanding at the time your s
was prepared. When paid, the original check or note will be returned to you.

Dated 7/17/5x Check N

CORN EXCHANGE BANK TRUST

BRANCH

CERTIFICATION CHARGE

Cert. No

Jermain Protective Accs. Co.

For (Check) (Note) Certified this day to the

Order of Paul Klein

This memo of charge represents a certified check or note which was outstanding at the time your
was prepared. When paid, the original check or note will be returned to you.

Dated July 15 5x Check

which was outstanding at the time your stat
ll be returned to you.

Check No. 1110

GE BANK TRUST CO.

BRANCH

Cert. No. 5502

July 12 19 5x

Protective Accs. Co.

to the

PAID

$1000 —

which was outstanding at the time your statement
ll be returned to you.

Check No 69

PAID

Government's Exhibit 16

(Page 17a)

Government's Exhibit 1

(16la - 1)

FORM 1040
U.S. Treasury Department
Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN

For calendar year 1949 or fiscal year beginning ///, 1949, and ending ///, 1950

1949

EMPLOYEES: Instead of this form, you may use Form 1040A if your total income was less than $5,000, consisting wholly of wages shown on Forms W-2, or of such wages and not more than $100 of other wages, dividends, and interest.

Do not write in these spaces

File Code

Serial No. 3112254

(Cashier's Stamp)

Name Acy LENNON
(PLEASE PRINT. If this is a joint return of husband and wife, use first names of both)

HOME ADDRESS 127 W. 138 St.
(PLEASE PRINT. Street and number or rural route)

New York (City, town, or post office) 30 (Postal zone number) N.Y. (State)

Social Security No. 117-03-3081 Occupation Sec'y

Your exemptions

1. **List your own name.**
If married and your wife (or husband) had no income, or if this is a joint return of husband and wife, list name of your wife (or husband).

List names of other close relatives (as defined in Instructions) with 1949 incomes of less than $500 who received more than one-half of their support from you in 1949. If this is a joint return of husband and wife, list dependent relatives of both.

Name (please print)	Check below whether you (or your wife) were at the end of your taxable year— 65 OR OVER	BLIND	On lines a and b below— Write 1 if neither 65 nor blind; Write 2 if either 65 or blind; Write 3 if both 65 and blind.
Your name Acy	Yes ☐ No ☑	Yes ☐ No ☑	a. Number of exemptions for you 1
Wife's (or husband's) name Beatrice	Yes ☐ No ☑	Yes ☐ No ☑	b. Number of her (his) exemptions 1

Name of Other Dependent Relative	Relationship	Address—If different from yours
Barbara	Daughter	
Della	Daughter	
Acy, Jr.	Son	
William	Son	

Enter here total number of exemptions claimed (yours and your wife's plus one for each dependent listed above) → 6

Your Income

2. **Enter your total wages, salaries, bonuses, commissions, and other compensation received in 1949, BEFORE PAY-ROLL DEDUCTIONS for taxes, dues, insurance, bonds, etc. Also enter amount of income tax withheld. Persons claiming traveling or reimbursed expenses, see Instructions.**

Print Employer's Name	Where Employed (City and State)	Amount of Income Tax Withheld	Total Wages
U.S. House of Representatives	D.H., N.Y.	$ 116 80	$ 3455 02
Citizens Coffee	N.Y., N.Y.	9 —	280 —
Calvary Presbyterian Church	N.Y., N.Y.	12 —	2100 —
	Enter totals	$ 137 80	$ 5835 02

3. Enter here the total amount of your dividends ____
4. Enter here the total amount of your interest (including interest credited on savings accounts; also interest from Government obligations unless wholly exempt from taxation) ____ 1315 77
5. If you received any other income, give details on page 2 and enter the total here ____
6. Add income shown in items 2, 3, 4, and 5, and enter the total here ____ $ 4619 25

How to figure the tax

IF YOUR INCOME WAS LESS THAN $5,000.—You may find your tax in the table on page 4. This table allows about 10 percent of your total income for charitable contributions, interest, taxes, medical expenses, etc. If such deductions exceed 10 percent, it will usually be to your advantage to itemize them and compute your tax on page 3.

IF INCOME WAS $5,000 OR MORE.—Do not use tax table. Compute tax on page 3. Use standard deduction or itemize deductions, whichever is to your advantage.

HUSBAND AND WIFE.—For split-income benefits, file a joint return. If filing separate returns, and one itemizes deductions, both must itemize.

Tax due or refund

7. Enter your tax from table on page 4, or from line 18, page 3 ____ $ None
8. How much have you paid on your 1949 income tax?
   (A) By tax withheld (in item 2, above). Attach Original Forms W-2 ____ $ 137 80
   (B) By payments on 1949 Declaration of Estimated Tax ____
   Enter total here → 137 80
9. If your tax (item 7) is larger than payments (item 8), enter **BALANCE OF TAX DUE** here ____ $ ____
   This balance of tax due must be paid in full with return
10. If your payments (item 8) are larger than your tax (item 7), enter the **OVERPAYMENT** here ____ $ 137 80
    Check (✓) whether you want this overpayment: Refunded to you ☑; or Credited on your 1950 estimated tax ☐
    Do you owe any prior year Federal tax for which you have been billed? ____ (Yes or No)

If you filed a return for a prior year, state latest year 1948
Where filed New York
To which Collector's office did you pay amount claimed in item 8 (B), above? 2nd N.Y.

County in which you reside New York
Is your wife (or husband) making a separate return for 1949? No (Yes or No)
If "Yes," write her (or his) name ____

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Edmund J. Collins 3/14/50
(Signature of person, other than taxpayer, preparing this return) (Date)

(Name of firm or employer, if any)

Acy Lennon 3/14
(Signature of taxpayer) (Date)

(Signature of taxpayer's wife or husband if this is a joint return) (Date)

To assure any benefits of split-income provisions, husband and wife must include all their income, and BOTH MUST SIGN, even though only one has income.

(P. 169 a - 2)

Do not use this page if your income is wholly from salaries, wages, dividends, and interest

Schedule A.—INCOME FROM ANNUITIES OR PENSIONS

1. Cost of annuity (total amount you paid in)	$		4. Total amount received this year	$	
2. Amount received tax-free in prior years			5. Excess, if any, of line 4 over line 3		
3. Remainder of cost (line 1 less line 2)	$		6. Enter line 5, or 3 percent of line 1, whichever is greater (but do not enter more than line 4)		$

Schedule B.—INCOME FROM RENTS AND ROYALTIES

1. Kind and location of property	2. Amount of rent or royalty	3. Depreciation or depletion (explain in Schedule F)	4. Repairs (explain in Schedule G)	5. Other expenses (itemize in Schedule G)
	$	$	$	$
Net profit (or loss) (col. 2 less sum of cols. 3, 4, and 5)	$	$	$	$

Schedule C.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (Farmers should obtain Form 1040F)

State (1) nature of business Stationary Store; (2) business name Tinys;
(3) business address 2270 - 1st Ave N.Y.C.

Do NOT include in this schedule cost of goods withdrawn for personal use or deductions not connected with business or profession.

1. Total receipts — $25901 44

COST OF GOODS SOLD (To be used where inventories are an income-determining factor) (Enter the letters "C" or "C or M" on lines 2 and 8 if inventories are valued at either cost, or cost or market, whichever is lower)	
2. Inventory at beginning of year	$ 500 —
3. Merchandise bought for sale	23537 56
4. Labor	
5. Material and supplies	
6. Other costs (explain in Schedule G)	
7. Total of lines 2 to 6	$ 24037 56
8. Less inventory at end of year	825 —
9. Net cost of goods sold (line 7 less line 8)	$ 23212 56
10. Gross profit (line 1 less line 9)	$ 2738 85

OTHER BUSINESS DEDUCTIONS	
11. Salaries and wages not in line 4	$ 2846 67
12. Rent	900 —
13. Interest on business indebtedness	
14. Taxes on business and business property	4 —
15. Losses (explain in Schedule G)	
16. Bad debts arising from sales or services	
17. Depreciation, obsolescence, and depletion (explain in Schedule F)	
18. Repairs	91 45
19. Other expenses (explain in Schedule G)	480 21
20. Net operating loss deduction (attach statement)	
21. Total of lines 11 to 20	$ 4322 33
22. Total of lines 9 and 21	$ 27,484 89
23. Net profit (or loss) (line 1 less line 22)	— 1583 48

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS, ETC.

1. Net gain (or loss) from sale or exchange of capital assets (from separate Schedule D)	
2. Net gain (or loss) from sale or exchange of property other than capital assets (from separate Schedule D)	

Schedule E.—INCOME FROM PARTNERSHIPS, ESTATES AND TRUSTS, AND OTHER SOURCES

	NAME	ADDRESS	AMOUNT
1. Partnership, syndicate, etc.			$
2. Estate or trust			
3. Other sources (state nature)	Telephone Commission		367 71
		Enter total here →	367 71

Total income (or loss) from above sources (Enter as item 5, page 1) — 1215 77

Schedule F.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES B AND C

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accounting depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		$	$	$	$			$

Schedule G.—EXPLANATION OF COLUMNS 4 AND 5 OF SCHEDULE B, AND LINES 6, 15, AND 19 OF SCHEDULE C

1. Column or Line No.	2. Explanation	3. Amount	1. Column or Line No.	2. Explanation	3. Amount
19	Gas & Electric	$ 264 80			$
	Acct Fee	120 —			
	Insurance	28 60			
	Contributions	9 70			
	Miscellaneous	57 85			

(p. 16la -3)

ITEMIZED DEDUCTIONS—FOR PERSONS NOT USING TAX TABLE ON PAGE 4 OR STANDARD DEDUCTION ON LINE 2 BELOW—
If husband and wife (not legally separated) file separate returns and one itemizes deductions, the other must also itemize

	Describe deductions and state to whom paid. If more space is needed, list deductions on separate sheet of paper and attach to this return.		Amount
Contributions	Church & Charities	$ 40 95 ✓	
	Other Charitable Organizations		
	Allowable Contributions (not in excess of 15 percent of item 6, page 1)		$ 475 ✓
Interest	A.B. Credit Union	$ 48 ✓	
	132 - West 13th St.		
	Total Interest		48 ✓
Taxes	Sales & Sundry taxes	$ 25 ✓	
	Total Taxes		25 ✓
Losses from fire, storm, or other casualty, or theft		$	
	Total Allowable Losses (not compensated by insurance or otherwise)		
Medical and dental expenses		$	
	Net Expenses (not compensated by insurance or otherwise)	$	
	Enter 5 percent of item 6, page 1, and subtract from Net Expenses		1 / 1
	Allowable Medical and Dental Expenses. See Instructions for limitation		
Miscellaneous (See Instructions)	Expenses away from home — Sec. 162 (a) (2) 70¢ per day while on Congressional business	$ 980 ✓	
	Total Miscellaneous Deductions		980 ✓
	TOTAL DEDUCTIONS		$ 1528 ✓

TAX COMPUTATION—FOR PERSONS NOT USING TAX TABLE ON PAGE 4

1. Enter amount shown in item 6, page 1. This is your Adjusted Gross Income	$ 4619	25 ✓
2. Enter DEDUCTIONS. If deductions are itemized above, enter the total of such deductions. If adjusted gross income (line 1, above) is $5,000 or more and deductions are not itemized, enter the standard deduction of 10 percent of line 1, above, or $1,000, whichever is the lesser, or $500 if this is the separate return of a married person	1528	✓
3. Subtract line 2 from line 1. Enter the difference here. This is your Net Income	$ 3091	25 ✓
4. Multiply $600 by total number of exemptions claimed in item 1, page 1. Enter total here	3600	✓
5. Subtract line 4 from line 3. Enter difference here	$ None	✓
Lines 6, 7, and 8 should be filled in ONLY by a single person or a married person making a separate return		
6. Use the tax rates shown in Instructions to figure your tentative tax on amount shown in line 5 (if line 3, above, includes partially tax-exempt interest, see Instructions). Enter the tentative tax here	$	
7. If line 6 is (a) not over $400, enter 17% of amount on line 6 (b) over $400 but not over $100,000, enter $68 plus 12% of the excess over $400 (c) over $100,000, enter $12,020 plus 9.75% of the excess over $100,000		
8. Subtract line 7 from line 6. Enter the difference here. This is your combined normal tax and surtax	$	
Lines 9 to 13 should be filled in ONLY if this is a joint return of husband and wife		
9. Enter here one-half of amount on line 5, above	$	
10. Use the tax rates shown in Instructions to figure your tentative tax on amount shown in line 9 (if line 3, above, includes partially tax-exempt interest, see Instructions). Enter the tentative tax here	$	
11. If line 10 is (a) not over $400, enter 17% of amount on line 10 (b) over $400 but not over $100,000, enter $68 plus 12% of the excess over $400 (c) over $100,000, enter $12,020 plus 9.75% of the excess over $100,000		
12. Subtract line 11 from line 10. Enter the difference here	$	
13. Multiply amount on line 12 by 2. Enter this tax here. This is your combined normal tax and surtax	$	
14. If alternative tax computation is made on separate Schedule D, enter here tax from line 12 on back of Schedule D	$	
If you used the standard deduction in line 2, disregard lines 15, 16, and 17, and copy on line 18 the same figure you entered on line 8, 13, or 14, whichever is applicable		
15. Enter here any income tax payments to a foreign country or U. S. possession (attach Form 1116)	$	
16. Enter here any income tax paid at source on tax-free covenant bond interest		
17. Add the figures on lines 15 and 16 and enter the total here	$	
18. Subtract line 17 from line 8, 13, or 14, whichever is applicable. Enter difference here and in item 7, page 1. This is your tax	$ None	

1-3 ✓

Government's Exhibit 2

(p. 1630-P)

FORM 1040
U.S. Treasury Department
Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN

1950
CALENDAR YEAR

For other taxable years ending after Sept. 30, 1950, but before Dec. 31, 1951, attach Form 1040FY

EMPLOYEES: Instead of this form, you may use Form 1040A if your total income was less than $5,000, consisting wholly of wages shown on Forms W-2, or of such wages and not more than $100 of other wages, dividends, and interest.

Do not write in these spaces

Serial No. [redacted]3

(Cashier's Stamp)

7102267

FRC 77941

Name Acy Lennon
(PLEASE PRINT. If this is a joint return of husband and wife, use first names of both)

HOME ADDRESS 127 West 138 St.
(PLEASE PRINT. Street and number or rural route)

New York 30, N.Y.
(City, town, or post office) (Postal zone number) (State)

Social Security No. 117-03-3081 Occupation Sect. & Boys Dr

Your exemptions

1. List your own name.
If married and your wife (or husband) had no income, or if this is a joint return of husband and wife, list name of your wife (or husband).

List names of other close relatives (as defined in instructions) with 1950 gross incomes of less than $500 who received more than one-half of their support from you in 1950. If this is a joint return of husband and wife, list dependent relatives of both.

Name (please print)	Check below whether you (or your wife) were at the end of your taxable year— 65 OR OVER	BLIND	On lines a and b below— Write 1 if neither 65 nor blind; Write 2 if either 65 or blind; Write 3 if both 65 and blind.
Your name Acy Lennon	Yes ☐ No ☑	Yes ☐ No ☑	a. Number of exemptions for you 1
Wife's (or husband's) name Beatrice Lennon	Yes ☐ No ☑	Yes ☐ No ☑	b. Number of her (his) exemptions

Name of Other Dependent Relative	Relationship	Address—If different from yours
Barbara Lennon	Daughter	RECEIVED
Della	Daughter	
Acy Jr.	Son	JUN 13 1951
William	Son	COLL. INT. REV. 3rd DIST. N.Y.

1-6

Enter here total number of exemptions claimed (yours and your wife's plus one for each dependent listed above) → 6

Your income

2. Enter your total wages, salaries, bonuses, commissions, and other compensation received in 1950, BEFORE PAY-ROLL DEDUCTIONS for taxes, dues, insurance, bonds, etc. Also enter amount of income tax withheld. Members of Armed Forces and persons claiming traveling or reimbursed expenses, see Instructions.

Print Employer's Name	Where Employed (City and State)	Amount of Income Tax Withheld	Total Wages
House of Representatives	N.Y.C.	$ 207 —	$ 4016 64
St. Aloysius Church	N.Y.C.	13 20	2100 —
Enter totals		$ 220 20	$ 6116 64

3. If you received dividends, interest, or any other income, give details on page 2 and enter the total here 1029 44

4. Add income shown in items 2 and 3, and enter the total here $ 3087 20

How to figure the tax

IF YOUR INCOME WAS LESS THAN $5,000.—Use the table on page 4 to find your tax—unless you itemize your deductions. This table allows about 10 percent of your total income for charitable contributions, interest, taxes, medical expenses, etc. If your deductions exceed 10 percent, it will usually be to your advantage to itemize them and compute your tax on page 3.

IF INCOME WAS $5,000 OR MORE.—Do not use tax table. Compute tax on page 3. Use standard deduction or itemize deductions, whichever is to your advantage.

HUSBAND AND WIFE.—For split-income benefits, file a joint return. If filing separate returns, and one itemizes deductions, both must itemize.

Tax due or refund

5. Enter your tax from table on page 4, or from line 18, page 3 $ None

6. How much have you paid on your 1950 income tax?
(A) By tax withheld (in item 2, above). Attach Original Forms W-2 $ 220 20
(B) By payments on 1950 Declaration of Estimated Tax
Enter total here → 220 20

7. If your tax (item 5) is larger than payments (item 6), enter BALANCE OF TAX DUE here $
This balance of tax due must be paid in full with return.

8. If your payments (item 6) are larger than your tax (item 5), enter the OVERPAYMENT here $ 220 20
Enter amount of item 8 you want: Refunded to you $ 220 20; Credited on your 1951 estimated tax $
Do you owe any prior year Federal tax for which you have been billed? No
(Yes or No)

If you filed a return for a prior year, state latest year 1946
Where filed 3rd District N.Y.C.
To which Collector's office did you pay amount claimed in item 6 (B), above? 3rd Dist.

County in which you reside N.Y.
Is your wife (or husband) making a separate return for 1950? No
(Yes or No)
If "Yes," write her (or his) name

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

(Signature of person, other than taxpayer, preparing this return) (Date)

(Name of firm or employer, if any)

Acy Lennon 6/14/51
(Signature of taxpayer) (Date)

(Signature of taxpayer's wife or husband if this is a joint return) (Date)

To assure any benefits of split-income provisions, husband and wife must include all their income, and BOTH MUST SIGN, even though only one has income.

16—63581-1

(p. 163a - 2)

Schedule A.—INCOME FROM DIVIDENDS

Name and address of corporation declaring dividend	Amount		Name and address of corporation declaring dividend	Amount	
	$			$	
			Enter total here →	$	

Schedule B.—INCOME FROM INTEREST

Name and address of payer	Amount		Name and address of payer	Amount	
	$			$	
			Enter total here →		

Schedule C.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (Farmers should obtain Form 1040F)

Net profit (or loss) from business or profession (from separate Schedule C) Loss 1331 44

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS, ETC.

1. Net gain (or loss) from sale or exchange of capital assets (from separate Schedule D)
2. Net gain (or loss) from sale or exchange of property other than capital assets (from separate Schedule D)

Schedule E.—INCOME FROM ANNUITIES OR PENSIONS

1. Cost of annuity (total amount you paid in)	$		4. Total amount received this year	$	
2. Amount received tax-free in prior years			5. Excess, if any, of line 4 over line 3		
3. Remainder of cost (line 1 less line 2)	$		6. Enter line 5, or 3 percent of line 1, whichever is greater (but do not enter more than line 4)		

Schedule F.—INCOME FROM RENTS AND ROYALTIES

1. Kind and location of property	2. Amount of rent or royalty	3. Depreciation or depletion (explain in Schedule H)	4. Repairs (explain in Schedule I)	5. Other expenses (itemize in Schedule I)
	$	$	$	$
1. Totals	$	$	$	$

2. Net profit (or loss) (column 2 less sum of columns 3, 4, and 5)

Schedule G.—INCOME FROM PARTNERSHIPS, ESTATES AND TRUSTS, AND OTHER SOURCES

	NAME	ADDRESS	AMOUNT
1. Partnership, ~~joint venture~~, etc.	Concessions	Telephone	$ 132 —
2. Estate or trust			
3. Other sources (state nature)	Rebate from Tree Crews		160
		Enter total here →	292 —

Total income (or loss) from above sources (Enter as item 3, page 1) $ 1029 44

Schedule H.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULE F

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		$	$	$	$			$

Schedule I.—EXPLANATION OF COLUMNS 4 AND 5 OF SCHEDULE F

1. Column No.	2. Explanation	3. Amount	1. Column No.	2. Explanation	3. Amount
		$			$

(p. 163 ?)

INTERNAL REVENUE SERVICE
THIRD DISTRICT OF NEW YORK

U. S. TREASURY DEPARTMENT

OFFICE OF THE COLLECTOR OF INTERNAL REVENUE
110 EAST 45TH STREET
NEW YORK 17, N. Y.

IN REPLYING REFER TO: IT:AC

March 16, 1951

RECEIVED
13 JUN 13 1951
COLL. INT. REV.
3rd DIST. N.Y.

ACY L. Lennev
2276 Seventh Ave
NYC

FORM 1040

In response to your request, there is hereby granted an extension of time to June 15, 1951 for the filing of your income tax return for the year ended December 31, 1950. However, the return may be filed on or before the extended date.

Interest at the rate of 6% per annum is collectible.

Unless this letter is attached to your return when filed, a penalty for delinquency will be assessed.

James W Johnson ?

JAMES W. JOHNSON
Collector

Acy Lennon- 127 West 138 Street, N.Y.C.

Deductions:-
Line 15—Robbery

Explanation:-

April 1st, and April 28th, 1951—Reported to 32nd precinct
at west 135 Street, N.Y.C.
Detective Huey assigned to the case

2-3

SCHEDULE C (File with Form 1040)
U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

1950

SCHEDULE OF PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

(Farmers should obtain Form 1040F)

For Calendar Year 1950 or other taxable years ending after Sept. 30, 1950, but before Dec. 31, 1951

NAME AND ADDRESS Alex Lennon

State (1) nature of business Stationery Store
(2) business name
(3) business address 2304 - 7th Ave

Do NOT include in this schedule cost of goods withdrawn for personal use or deductions not connected with your business or profession

1. Total receipts from business or profession		$13,500 —
COST OF GOODS SOLD		
2. Inventory at beginning of year	$ 437 50	
3. Merchandise bought for manufacture or sale	13235 50	
4. Cost of labor	130 —	
5. Material and supplies	473 —	
6. Other costs (explain in Schedule C–2)	—	
7. Total of lines 2 to 6	$ 14276 —	
8. Less inventory at end of year	725 —	
9. Net cost of goods sold (line 7 less line 8)		13551 —
10. Gross profit (line 1 less line 9)		$ 1949 —
OTHER BUSINESS DEDUCTIONS		
11. Salaries and wages not included in line 4	$ 1810 —	
12. Rent on business property	495 —	
13. Interest on business indebtedness	—	
14. Taxes on business and business property	—	
15. Losses of business property (attach statement)	300 —	
16. Bad debts arising from sales or services	—	
17. Depreciation and obsolescence (explain in Schedule C–1)	50 —	
18. Repairs (explain in Schedule C–2)	106 —	
19. Depletion of mines, oil and gas wells, timber, etc. (submit schedule)	—	
20. Amortization of emergency facilities (attach statement)	—	
21. Other business expenses (explain in Schedule C–2)	309 44	
22. Total of lines 11 to 21		3270 44
23. Net profit (or loss) before net operating loss deduction (line 10 less line 22)		$ 1321 44
24. Less net operating loss deduction (attach statement)		—
25. Net profit (or loss). (Enter in Schedule C, page 2, Form 1040)		$ 1321 44

Schedule C–1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 17

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
Display MART	1949	$ 500 —	$ 100 —	$ 0 —	$ 400 —	10	9	$ 50 —
Frigidaire	1950	250 —	50 —	0 —	200 —	5	4	30 —

Schedule C–2. EXPLANATION OF LINES 6, 18, AND 21

1. Line No.	2. Explanation	3. Amount	1. Line No.	2. Explanation	3. Amount
21	Gas & Light	$ 145 —	18	Carpenter - Storeroom	$ 22 50
21	Accountants Fee	100 —	18	Plumbing	65 —
21	Insurance	14 94	18	Misc. Repairs	17 50
21	Fire Insurance	7 —			
21	Alarm System	7 40			
21	Floresence & G.E. Bulbs	15 —			
21	General Expence	25 —			

16—62533-1

2-4

ITEMIZED DEDUCTIONS—FOR PERSONS NOT USING TAX TABLE ON PAGE 4 OR STANDARD DEDUCTION ON LINE 2 BELOW—
If husband and wife (not legally separated) file separate returns and one itemizes deductions, the other must also itemize

	Describe deductions and state to whom paid. If more space is needed, list deductions on separate sheet of paper and attach to this return.		Amount
Contributions	Abyssinian Church	$ 450 —	
	Misc. Charities	100 —	
	Allowable Contributions (not in excess of 15 percent of item 4, page 1)		$ 550 —
Interest	A.B.C. Fed. Credit Union	$ 21 —	
	Total Interest		21 —
Taxes	N.Y.C. State Taxes & Misc	$ 50 —	
	Total Taxes		50 —
Losses from fire, storm, or other casualty, or theft		$	
			1
	Total Allowable Losses (not compensated by insurance or otherwise)		— 1
Medical and dental expenses		$	
	Net Expenses (not compensated by insurance or otherwise)	$	
	Enter 5 percent of item 4, page 1, and subtract from Net Expenses		
	Allowable Medical and Dental Expenses. See Instructions for limitation		—
Miscellaneous (See Instructions)	Expenses - Traveling to & from Wash D.C. and Living Exp	$	
	Away from home	880	
	Total Miscellaneous Deductions		880 —
	TOTAL DEDUCTIONS		$ 1501

TAX COMPUTATION—FOR PERSONS NOT USING TAX TABLE ON PAGE 4

1. Enter amount shown in item 4, page 1. This is your Adjusted Gross Income	$ 5082	20
2. Enter DEDUCTIONS. If deductions are itemized above, enter the total of such deductions. If adjusted gross income (line 1, above) is $5,000 or more and deductions are not itemized, enter the standard deduction of 10 percent of line 1, above, or $1,000, whichever is the lesser, or $500 if this is the separate return of a married person	1501	—
3. Subtract line 2 from line 1. Enter the difference here. This is your Net Income	$ 3586	20
4. Multiply $600 by total number of exemptions claimed in item 1, page 1. Enter total here	3600	—
5. Subtract line 4 from line 3. Enter difference here	$	—
Lines 6, 7, and 8 should be filled in ONLY by a single person or a married person making a separate return		
6. Use the tax rates shown on page 16 of Instructions to figure your tentative tax on amount shown in line 5 (if line 3, above, includes partially tax-exempt interest, see Instructions). Enter the tentative tax here	$	
7. If line 6 is (a) not over $400, enter 13% of amount on line 6 (b) over $400 but not over $100,000, enter $52 plus 9% of the excess over $400 (c) over $100,000, enter $9,016 plus 7.3% of the excess over $100,000		—
8. Subtract line 7 from line 6. Enter the difference here. This is your combined normal tax and surtax	$	—
Lines 9 to 13 should be filled in ONLY if this is a joint return of husband and wife		
9. Enter here one-half of amount on line 5, above	$	—
10. Use the tax rates shown on page 16 of Instructions to figure your tentative tax on amount shown in line 9 (if line 3, above, includes partially tax-exempt interest, see Instructions). Enter the tentative tax here	$	
11. If line 10 is (a) not over $400, enter 13% of amount on line 10 (b) over $400 but not over $100,000, enter $52 plus 9% of the excess over $400 (c) over $100,000, enter $9,016 plus 7.3% of the excess over $100,000		—
12. Subtract line 11 from line 10. Enter the difference here	$	—
13. Multiply amount on line 12 by 2. Enter this tax here. This is your combined normal tax and surtax	$	—
14. If alternative tax computation is made on separate Schedule D, enter here tax from line 12 on back of Schedule D	$	—
If you used the standard deduction in line 2, disregard lines 15, 16, and 17, and copy on line 18 the same figure you entered on line 8, 13, or 14, whichever is applicable		
15. Enter here any income tax payments to a foreign country or U. S. possession (attach Form 1116)	$	
16. Enter here any income tax paid at source on tax-free covenant bond interest		
17. Add the figures on lines 15 and 16 and enter the total here	$	—
18. Subtract line 17 from line 8, 13, or 14, whichever is applicable. Enter difference here and in item 5, page 1. This is your tax	$ 0	

2-5X

Government's Exhibit 3

(P. 145a-1)

FORM 1040
U.S. Treasury Department
Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN

FOR CALENDAR YEAR 1951

1951

or taxable year beginning ....., 195..., and ending ....., 195...

Do not write in these spaces

Serial No. 220375138

(Cashier's Stamp)

Name ACY LENNON
(PLEASE PRINT. If this is a joint return of husband and wife, use first names of both)

HOME ADDRESS 127 W. 138 ST.
(PLEASE PRINT. Street and number or rural route)

NEW YORK (City, town, or post office) — (Postal zone number) — NEW YORK (State)

Social Security No. 117-03-3081 Occupation SECT. + REC. DIR.

Your exemptions

1. List your name. If your wife (or husband) had no income, or if this is a joint return, list also her (or his) name.

A ACY LENNON (Your name)

B BEATRICE LENNON (Your wife's name—do not list if exemption is claimed on another return)

Check below if at the end of your taxable year you or your wife were—

A: 65 or over ☐ Blind ☐
B: 65 or over ☒ Blind ☐

On lines A and B below—
if neither 65 nor blind write the figure 1
if either 65 or blind write the figure 2
if both 65 and blind write the figure 3

Number of exemptions for you 1

Number of her (or his) exemptions 1

C. List names of your children (including stepchildren and *legally* adopted children) with 1951 gross incomes of less than $600 who received more than one-half of their support from you in 1951. See Instructions.

Name—and address if different from yours

Barbara
Della
Acy Jr.
William

Enter number of children listed 4

D. Enter number of exemptions claimed for close relatives listed in Schedule J on page 2 0

E. Enter total number of exemptions claimed in A to D above 6

Your income

2. Enter your total wages, salaries, bonuses, commissions, and other compensation received in 1951, *before payroll deductions*. Persons claiming traveling or reimbursed expenses, see Instructions.

Print Employer's Name	Where Employed (City and State)	Income Tax Withheld	Total Wages
U.S. HOUSE of REPRESENTATIVE	NEW YORK — N.Y.	$ 284 77	$ 4217 46
ABYSSINIAN BAPTIST CHURCH	NEW YORK — N.Y.	34 40	2206 44
Enter totals		$ 319 17	$ 6423 90

3. If you received dividends, interest, or any other income, give details on page 2 and enter the total here 1712 50

4. Add income shown in items 2 and 3, and enter the total here ..... $ 8135 40

How to figure the tax

IF YOUR INCOME WAS LESS THAN $5,000.—Use the tax table on page 4 *unless you itemize deductions*. The table allows about 10 percent of your income for charitable contributions, interest, taxes, medical expenses, etc. If your deductions exceed 10 percent, it will usually be to your advantage to itemize them and compute your tax on page 3.

IF INCOME WAS $5,000 OR MORE.—Compute tax on page 3. Use standard deduction or itemize deductions, whichever is to your advantage.

Tax due or refund

5. (A) Enter your tax from table on page 4, or from line 13, page 3 $ NONE
(B) Enter your self-employment tax from line 31, separate Schedule C.
Enter total here → $ NONE

6. How much have you paid on your 1951 income tax?
(A) By tax withheld (in item 2, above). Attach Original Forms W-2 $ 319 17
(B) By payments on 1951 Declaration of Estimated Tax (include any overpayment on your 1950 tax not claimed as a refund)
Enter total here → 319 17

7. If your tax (item 5) is larger than payments (item 6), enter *balance of tax due* here. This balance must be paid in full with return ..... $

8. If your payments (item 6) are larger than your tax (item 5), enter the *overpayment* here .. $ 319 17
Enter amount of item 8 you want $ 319.17 (Refunded) $ (Credited on 1952 estimated tax)

Do you owe any prior year Federal tax for which you have been billed? (Yes or No) NO Is your wife (or husband) making a separate return for 1951? (Yes or No) NO If "yes," write her (or his) name .....

If you have filed a return for a prior year, state latest year 1950 Where filed? Sod

To which Collector's office did you pay amount claimed in item 6 (B), above? .....

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

(Signature of person, other than taxpayer, preparing this return) (Date)

(Name of firm or employer, if any)

Acy Lennon 3/15
(Signature of taxpayer) (Date)

(Signature of taxpayer's wife or husband if this is a joint return) (Date)

To assure split-income benefits, husband and wife must include all their income and, even though only one has income, BOTH MUST SIGN.

16—65304-1

— — — — Please Attach All W-2 Forms Here — — — —

(P. 167 L-2)

Schedule A.—INCOME FROM DIVIDENDS

Name of corporation declaring dividend	Amount	Name of corporation declaring dividend	Amount
	$		$

Enter total here → $

Schedule B.—INCOME FROM INTEREST

Name of payor	Amount	Name of payor	Amount
	$		$

Enter total here →

Schedule C Summary.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION, FARMING, AND PARTNERSHIP

1. Business profit (or loss) from separate Schedule C, line 24	$	
2. Farm profit (or loss) from separate schedule, Form 1040F		
3. Partnership, etc., profit (or loss) from Form 1065, Schedule J, Column 10		
4. Total of lines 1, 2, 3	$	
5. Less: Net operating loss deduction (attach statement)		
6. Net profit (or loss) (line 4 less line 5)		

Schedule D.—NET GAIN OR LOSS FROM SALES OR EXCHANGES OF CAPITAL ASSETS, ETC.

1. From sale or exchange of capital assets (from separate Schedule D)	
2. From sale or exchange of property other than capital assets (from separate Schedule D)	

Schedule E.—INCOME FROM ANNUITIES OR PENSIONS

1. Cost of annuity (amount you paid)	$	4. Amount received this year	$
2. Cost received tax-free in past years		5. Excess of line 4 over line 3	
3. Remainder of cost (line 1 less line 2)	$	6. Enter line 5, or 3 percent of line 1, whichever is greater (but not more than line 4)	

Schedule F.—INCOME FROM RENTS AND ROYALTIES

1. Kind and location of property	2. Amount of rent or royalty	3. Depreciation or depletion (explain in Schedule H)	4. Repairs (explain in Schedule I)	5. Other expenses (itemize in Schedule I)
	$	$	$	$
1. Totals	$	$	$	$

2. Net profit (or loss) (column 2 less sum of columns 3, 4, and 5)

Schedule G.—INCOME FROM ESTATES AND TRUSTS AND OTHER SOURCES

1. Estate or trust (Name) (Address)	$
2. Other sources (state nature)	
Enter total here →	
Total income (or loss) from above sources (Enter here and as item 3, page 1)	$

Schedule H.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SEPARATE SCHEDULE C AND SCHEDULE F

1. Kind of property (if buildings, state material of which constructed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed (or allowable) in prior years	5. Remaining cost or other basis to be recovered	6. Life used in accumulating depreciation	7. Estimated life from beginning of year	8. Depreciation allowable this year
~~FIXTURES~~	~~1949~~	~~$ 750 00~~	~~$ 300 00~~	~~$ 450 00~~	~~20 YRS~~	~~15 YRS~~	~~$ 150 00~~
FIXTURES	1949	500 00	50 00	450 00	10 YRS	7 YRS	100 00
FRIEDAIR	1950	250 00	50 00	150	5 YRS	3 YRS	50 00

Schedule I.—EXPLANATION OF LINES 6, 17, AND 20, SEPARATE SCHEDULE C AND COLUMNS 4 AND 5 OF SCHEDULE F

Line or Column No.	Explanation	Amount	Line or Column No.	Explanation	Amount
20	LIGHT	$ 155 00			$
	TELEPHONE	45 00			
	SUPPLIES	115 00			

Schedule J.—EXEMPTIONS FOR CLOSE RELATIVES—(See Instructions)

1. Name of dependent relative. Also give address if different from yours	2. Relationship	3. Did dependent during 1951— (a) Have gross income of $600 or more?	(b) Reside in your home?	(c) Receive entire support from you?	4. If answer to either 3(b) or 3(c) is "No" enter amount spent for dependent's support in 1951 by— You (and your wife if this is a joint return)	Others, and by dependent from own funds
					$	$

Enter here and as item 1D, page 1, the number of close relatives claimed above ☐

☆ GPO 16—65304-1

2

SCHEDULE C (File with Form 1040)
U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

1951

SCHEDULE OF PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION AND COMPUTATION OF SELF-EMPLOYMENT TAX (for old-age and survivors insurance)

For calendar year 1951 or fiscal year beginning January 1, 1951, and ending December 31, 1951

Name and address under which Form 1040 is filed Acy Lennon 127 W. 138 St. N.Y.

If a joint return, name of husband or wife having net earnings from self-employment

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION
(For reporting farm income, see Form 1040 Instructions)

State (1) nature of business Confectionary
(2) business name Acy Lennon
(3) business address

Do NOT include in this schedule cost of goods withdrawn for personal use or deductions not connected with your business or profession

1. Total receipts from business or profession			$ 14385 35
COST OF GOODS SOLD			
2. Inventory at beginning of year	$ 725 -		
3. Merchandise bought for manufacture or sale	13122 50		
4. Cost of labor			
5. Material and supplies			
6. Other costs (explain in Schedule I, Form 1040)			
7. Total of lines 2 to 6	13847 50		
8. Less inventory at end of year	975 00		
9. Net cost of goods sold (line 7 less line 8)			12972 50
10. Gross profit (line 1 less line 9)			$ 1412 85
OTHER BUSINESS DEDUCTIONS			
11. Salaries and wages not included in line 4	$ 2080 00		
12. Rent on business property	495 00		
13. Interest on business indebtedness			
14. Taxes on business and business property			
15. Bad debts arising from sales or services			
16. Depreciation and obsolescence (explain in Schedule H, Form 1040)	150 00		
17. Repairs (explain in Schedule I, Form 1040)	85 35		
18. Depletion of mines, oil and gas wells, timber, etc. (submit schedule)			
19. Amortization of emergency facilities (attach statement)			
20. Other business expenses (explain in Schedule I, Form 1040)	315 00		
21. Total of lines 11 to 20			3125 35
22. Net profit (or loss) before losses of business property (line 10 less line 21)			$ 1712 50
23. Less: Losses of business property (attach statement)			
24. Net profit (or loss) (line 22 less line 23). Enter here and on line 1, Schedule C Summary, page 2, Form 1040			$ 1712 50

COMPUTATION OF SELF-EMPLOYMENT TAX (See Instructions on other side)

25. Net earnings (or loss) from self-employment included in line 22, above	$ 1712 50	
26. Net earnings (or loss) from self-employment from partnerships, joint ventures, etc. (from column 10, Schedule K, page 4, Form 1065)	NONE	
27. Total net earnings (or loss) from self-employment (lines 25 and 26)		$ 1712 50
(If total of net earnings is under $400, do not make any entries below)		
28. Wages paid to you during the taxable year which were subject to withholding for old-age and survivors insurance		6423 90
29. Total of lines 27 and 28		$ 4711 40
30. Self-employment income subject to tax:		
If line 29 is (a) *not over* $3,600, enter amount shown on line 27		
(b) *over* $3,600—and amount on line 28 is $3,600 or more, enter "none"		$ NONE
—and amount on line 28 is under $3,600 enter difference between $3,600 and amount on line 28		
31. Self-employment tax—2¼ percent of amount shown on line 30. Enter tax here and as item 5(B), page 1, Form 1040		$ 3-3

ITEMIZED DEDUCTIONS—FOR PERSONS NOT USING TAX TABLE ON PAGE 4 OR STANDARD DEDUCTION ON LINE 2 BELOW—

If Husband and Wife (Not Legally Separated) File Separate Returns and One Itemizes Deductions, the Other Must Also Itemize

	Describe deductions and state to whom paid. If more space is needed, attach additional sheets.		
Contributions	Abyssinian Baptist Church	$ 465 00	
	Miscellaneous Charities	110 00	
	Allowable Contributions (not in excess of 15 percent of item 4, page 1)		$ 575 00
Interest	A.B.C. Credit Union	$ 12 00	
	Total Interest		12 00
Taxes	Miscellaneous Sales Tax	$ 40 00	
	Total Taxes		40 00
Losses from fire, storm, or other casualty, or theft		$	
	Total Allowable Losses (not compensated by insurance or otherwise)		
Medical and dental expenses *(if over 65 see instructions)*		$	
	Net Expenses (not compensated by insurance or otherwise)	$	
	Enter 5 percent of item 4, page 1, and subtract from Net Expenses.		
	Allowable Medical and Dental Expenses. See Instructions for limitation		
Miscellaneous *(See Instructions)*	Expenses Away from Home TO AND FROM WASH, D.C.	$ 925 00	
	Total Miscellaneous Deductions		925 00
	Total Deductions		$ 1952 00

TAX COMPUTATION FOR CALENDAR YEAR 1951 (For Other Taxable Years Attach Form 1040FY)

1. Enter amount shown in item 4, page 1. This is your Adjusted Gross Income	$ 4711 40
2. If deductions are itemized above, enter total of such deductions. If deductions are not itemized *and line 1, above, is $5,000 or more:* (*a*) married persons filing separately enter $500, (*b*) all others enter 10 percent of line 1, but not more than $1,000	1552 00
3. Subtract line 2 from line 1. Enter the difference here. This is your Net Income	$ 3159 40
4. Multiply $600 by total number of exemptions claimed in item 1E, page 1. Enter total here	3600 00
5. Subtract line 4 from line 3. Enter difference here. (If line 1 includes partially tax-exempt interest, see instructions)	$ NONE 40
6. **If line 5 is not more than $2,000**—Enter 20.4 percent of amount on line 5 and disregard lines 7, 8, and 9. This is your normal tax and surtax	$
7. **If line 5 is more than $2,000 and you are a single person or a married person filing separately**—Use tax rates on last page of instructions to figure tax on amount on line 5. This is your normal tax and surtax	$
8. **If line 5 is more than $2,000 and you are filing a joint return**—	
(*a*) Enter here one-half of the amount of line 5	$
(*b*) Use tax rates on last page of instructions to figure tax on amount on line 8 (*a*)	
(*c*) Multiply amount on line 8 (*b*) by 2. This is your normal tax and surtax	$
9. If alternative tax computation is made, enter here tax on back of separate Schedule D	$
Disregard lines 10, 11, and 12, and copy on line 13 the same figure you entered on line 6, 7, 8 (*c*), or 9, unless you used itemized deductions	
10. Enter here any income tax payments to a foreign country or U. S. possession (attach Form 1116)	$
11. Enter here any income tax paid at source on tax-free covenant bond interest	
12. Add the figures on lines 10 and 11 and enter the total here	$
13. Subtract line 12 from line 6, 7, 8 (*c*), or 9. Enter difference here and as item 5 (A), page 1. This is your tax	$ NONE

3-4-52

Government's Exhibit 4

FORM 1040
U. S. Treasury Department
Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN
FOR CALENDAR YEAR 1952

1952

or taxable year beginning Jan, 1952, and ending Dec, 1952

Do not write in these spaces
Serial No. 250902835
(Cashier's Stamp)

Name Acy + BEATRICE LENNON
(PLEASE PRINT. If this is a joint return of husband and wife, use first names of both)

HOME ADDRESS 127 West 138 St C/o MALONE
(PLEASE PRINT. Street and number or rural route)

New York (City, town, or post office) 30 (Postal zone number) N.Y. (State)

Social Security No. 117-03-3081 Occupation Boys Rec. Direc. Congress. Sec.

---Please Attach All Original W-2 Forms Here---

Your exemptions

1. List your name. If your wife (or husband) had no income, or if this is a joint return, list also her (or his) name.
   A Acy Lennon
   B BEATRICE LENNON
   (Your wife's name—do not list if exemption is claimed on another return)

Check below if at the end of your taxable year you or your wife were—
65 or over ☐ Blind ☐
65 or over ☐ Blind ☐

On lines A and B below—
if neither 65 nor blind write the figure 1
if either 65 or blind write the figure 2
if both 65 and blind write the figure 3

Number of exemptions for you 1
Number of her (or his) exemptions 1

C. List names of your children (including stepchildren and *legally* adopted children) with 1952 gross incomes of less than $600 who received more than one-half of their support from you in 1952. See Instructions.

Name—and address if different from yours

BARBARA
DELLA
ACY JR
WILLIAM

RECEIVED JUN 15 1953 REVO UPPER MAIN REC

Enter number of children listed 4

D. Enter number of exemptions claimed for close relatives listed in Schedule I on page 0

E. Enter total number of exemptions claimed in A to D above 6

Your income

2. Enter your total wages, salaries, bonuses, commissions, and other compensation received in 1952, *before payroll deductions*. Persons claiming traveling or reimbursed expenses, see Instructions.

Print Employer's Name	Where Employed (City and State)	Total Wages		Income Tax Withheld	
U.S. House of Representatives	Wash. D.C	$ 4418	28	$ 360	00
Abyssinian Baptist Church	N.Y.C	2312	88	50	40
	Enter total →	[illegible]	16	$ 410	40

3. If you received dividends, interest, or any other income, give details on page 2 and enter the total here 433 42
4. Add income shown in items 2 and 3; and enter the total here ..... $ 5297 74

How to figure the tax

(Before figuring your tax, see Schedule J for "Head of Household." If you claim such status, check here ☐.)
IF YOUR INCOME WAS LESS THAN $5,000.—Use the tax table on page 4 *unless you itemize deductions*. The table allows about 10 percent of your income for charitable contributions, interest, taxes, medical expenses, etc. If your deductions exceed 10 percent, it will usually be to your advantage to itemize them and compute your tax on page 3.
IF YOUR INCOME WAS $5,000 OR MORE.—Compute tax on page 3. Use standard deduction or itemize deductions, whichever is to your advantage.

Tax due or refund

5. (A) Enter your tax from table on page 4, or from line 13, page 3 $ NONE
   (B) Enter your self-employment tax from line 35, separate Schedule C
   Enter total here → $ NONE
6. How much have you paid on your 1952 income tax?
   (A) By tax withheld (in item 2, above). Attach Original Forms W-2 $ 410 40
   (B) By payments on 1952 Declaration of Estimated Tax (include any overpayment on your 1951 tax not claimed as a refund)
   Enter total here → 410 40
7. If your tax (item 5) is larger than payments (item 6), enter *balance of tax due* here. This balance must be paid in full with return ..... $
8. If your payments (item 6) are larger than your tax (item 5), enter the *overpayment* here ..... $ 410 40
   Enter amount of item 8 you want $ 410.40 (Refunded) $ (Credited on 1953 estimated tax)

Do you owe any prior year Federal tax for which you have been billed? (Yes or No) No Is your wife (or husband) making a separate return for 1952? (Yes or No) No If "yes," write her (or his) name
If you have filed a return for a prior year, state latest year 1951 Where filed? Nyc
To which director's (formerly collector's) office did you pay amount claimed in item 6 (B), above? 30th

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

(Signature of person, other than taxpayer, preparing this return) (Date) 6/15

(Name of firm or employer, if any)

Acy Lennon 6/14
(Signature of taxpayer) (Date)

Beatrice Lennon 6/15
(Signature of taxpayer's wife or husband if this is a joint return) (Date)

To assure split-income benefits, husband and wife must include all their income and, even though only one has income, BOTH MUST SIGN.

16—65304-3

Schedule A.—INCOME FROM DIVIDENDS

Name of corporation declaring dividend	Amount	Name of corporation declaring dividend	Amount
	$		$
			Enter total here → $

Schedule B.—INCOME FROM INTEREST

Name of payor	Amount	Name of payor	Amount
	$		$
			Enter total here →

Schedule C Summary.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION, FARMING, AND PARTNERSHIP

1. Business profit (or loss) from separate Schedule C, line 23	2065	$ 2713 43
2. Farm profit (or loss) from separate schedule, Form 1040F		
3. Partnership, etc., profit (or loss) from Form 1065, Schedule K, Column 3		
(Partnership name) (Address)		
4. Total of lines 1, 2, 3		$ 2713 43
5. Less: Net operating loss deduction (attach statement)		
6. Net profit (or loss) (line 4 less line 5)	Loss	2713 42

Schedule D.—NET GAIN OR LOSS FROM SALES OR EXCHANGES OF CAPITAL ASSETS, ETC.

1. From sale or exchange of capital assets (from separate Schedule D)
2. From sale or exchange of property other than capital assets (from separate Schedule D)

Schedule E.—INCOME FROM ANNUITIES OR PENSIONS

1. Cost of annuity (amount you paid)	$	4. Amount received this year	$
2. Cost received tax-free in past years		5. Excess of line 4 over line 3	
3. Remainder of cost (line 1 less line 2)	$	6. Enter line 5, or 3 percent of line 1, whichever is greater (but not more than line 4)	

Schedule F.—INCOME FROM RENTS AND ROYALTIES

1. Kind and location of property	2. Amount of rent or royalty	3. Depreciation or depletion (explain in Schedule H)	4. Repairs (attach statement)	5. Other expenses (attach statement)
	$	$	$	$
1. Totals	$	$	$	$
2. Net profit (or loss) (column 2 less sum of columns 3; 4, and 5)				

Schedule G.—INCOME FROM ESTATES AND TRUSTS AND OTHER SOURCES

1. Estate or trust		
2. Other sources (state nature) (Name) Commissions, Publications etc. (Address)		
Total income (or loss) from above sources (Enter here and as item 3, page 1)	Loss	$ 1433 42

Schedule H.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULE F

1. Kind of property (If buildings, state material of which constructed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed (or allowable) in prior years	5. Remaining cost or other basis to be recovered	6. Life used in accumulating depreciation	7. Estimated life from beginning of year	8. Depreciation allowable this year
		$	$	$			$

Schedule I.—EXEMPTIONS FOR CLOSE RELATIVES—(See Instructions)

1. Name of dependent relative. Also give address if different from yours	2. Relationship	3. Did dependent during 1952— (a) Have gross income of $600 or more?	(b) Reside in your home?	(c) Receive entire support from you?	4. If answer to either 3(b) or 3(c) is "No" enter amount spent for dependent's support in 1952 by— You (and your wife if this is a joint return)	Others, and by dependent from own funds
					$	$

Enter here and as item 1D, page 1, the number of close relatives claimed above ☐

Schedule J.—HEAD OF HOUSEHOLD (See Instructions)

(Not applicable where wife or husband died during taxable year)

1. Were you unmarried (or legally separated) at the close of your taxable year? (Yes or No)
2. Did any person for whom you are entitled to an exemption, or your unmarried child, grandchild, or stepchild, even though not a dependent, share during your entire taxable year your home which was your principal residence? (Yes or No)

   List name(s) and relationship to you
3. Did you furnish more than one half of the cost of maintaining the household during the taxable year? (Yes or No)

   If you did not furnish the entire cost, state total amount furnished by you $; by all others (including those sharing your home) $
4. If all of the above questions are answered "Yes," you may determine your tax as Head of a Household.

GPO 16—65304-2

4-2

RECEIVED
13 JUN 18 1953
DIR. I.
UPPER MAN. 10

June 15, 1953

U S Treasury Department
Internal Revenue Service
110 East 45 Street
New York 17, New York

Dear Sir:

Notice of extention of time for the filing of my income tax return for the year ended December 31, 1952 has been misplaced. It was dated March 23, 1953 I believe.

I called your office this morning and explained this , and was informed that I should attach a letter to this effect and that would be all that was necessary.

Respectfully yours,

Acy lennon

4-3

SCHEDULE C (Form 1040)
U. S. Treasury Department
Internal Revenue Service

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION 1952

(For Computation of Self-Employment Tax, see Page 3)

For Calendar Year 1952 or taxable year beginning JANUARY 1, 1952, and ending DECEMBER, 1952

Name and Address (from Form 1040) ACY & BEA LENNON 127 W 13 ST C/O MALONE

(Partnerships and joint ventures should file on Form 1065)

(I) Principal business activity (see instructions) STATIONARY & CANDY STORE
(Retail trade, wholesale trade, lawyer, etc.) (Principal product or service)

(II) Business name ACY LENNON

(III) FICA employer identification number, if any (see instructions)

(IV) Business address (see instructions) 2302 7TH AVE
(Street and number or rural route) (City, town, post office) (County) (State)

(V) Were you the sole proprietor of this business in 1951? Yes ☑ No ☐. If "No," check whether this business in 1952 became a successor to a corporation ☐, a partnership ☐, another sole proprietorship ☐, or started as an entirely new business ☐. Where applicable, give name of such predecessor

Do NOT include cost of goods withdrawn for personal use or deductions not connected with your business or profession

1. Total receipts from business or profession		$ 11800	42
COST OF GOODS SOLD			
2. Inventory at beginning of year	$ 875 -		
3. Merchandise bought for manufacture or sale	10940 -		
4. Cost of labor			
5. Material and supplies			
6. Other costs (explain in Schedule C–2)			
7. Total of lines 2 to 6	$ 11815 -		
8. Less inventory at end of year	NONE		
9. Net cost of goods sold (line 7 less line 8)		11815	00
10. Gross profit (line 1 less line 9)		$ (15	42)
OTHER BUSINESS DEDUCTIONS			
11. Salaries and wages not included in line 4	$ 780 -		
12. Rent on business property	960 -		
13. Interest on business indebtedness			
14. Taxes on business and business property			
15. Losses of business property (attach statement)			
16. Bad debts arising from sales or services			
17. Depreciation and obsolescence (explain in Schedule C–1)	150 -		
18. Repairs (explain in Schedule C–2)			
19. Depletion of mines, oil and gas wells, timber, etc. (submit schedule)			
20. Amortization of emergency facilities (attach statement)			
21. Other business expenses (explain in Schedule C–2)	808 -		
22. Total of lines 11 to 21		2698	-
23. Enter net profit (or loss) (line 10 less line 22). Also enter on line 24, page 3, and on line 1, Schedule C Summary, Form 1040		$ 2713	42

Schedule C-1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 17

1. Kind of property (if buildings, state material of which constructed). Exclude land and other nondepreciable property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed (or allowable) in prior years	5. Remaining cost or other basis to be recovered	6. Life used in accumulating depreciation	7. Estimated life from beginning of year	8. Depreciation allowable this year
FIXTURES	1949	$ 1000 -	$ 400 -	$ 600 -	10	6	$ 100 -
FRIGIDAIRE	1950	250 -	100 -	150 -	5	2	50 -

Schedule C-2. EXPLANATION OF LINES 6, 18, AND 21

Line or Column No.	Explanation	Amount	Line or Column No.	Explanation	Amount
21	WINDOW CLEANING	$ 78 -	21	ELECTRIC BILLS	$ 150 -
	MOPS, WAXING, DISINFECTANT	100 -		TELEPHONE	170 -
	SIGN REPAIR	54 -		SUPPLIES ETC IN MY TIME	100 -
	CLEANING OF STORE	156 -		EXPENSE	
	GARBAGE REMOVAL				

4-4

16-02533-2

COMPUTATION OF SELF-EMPLOYMENT TAX

(For old-age and survivors insurance)

Name of self-employed person Acy + Beatrice Lennon

State nature of business, if any, subject to self-employment tax Candy Store

24. Net profit (or loss) shown on line 23, page 1	$ (2713	42)	
25. Losses of business property shown on line 15, page 1	—		
26. Total of lines 24 and 25			$ (2713 | 42)
27. Less: Net income (or loss) from excluded services or sources included in line 26. Specify excluded services or sources			—	—
28. Net earnings from self-employment (line 26 less line 27)			$ (2713 | 42)
29. Net earnings (or loss) from self-employment from partnerships, joint ventures, etc. (from column 10, Schedule K, Form 1065)			—	—
30. Total net earnings (or loss) from self-employment (line 28 plus line 29). (If total of net earnings is under $400, do not make any entries below)			$ (2713 | 42)
31. Maximum amount subject to self-employment tax	$ 3,600	00		
32. Less: Wages paid to you during the taxable year which were subject to withholding for old-age and survivors insurance. (If such wages exceed $3,600, enter $3,600)	—	—		
33. Maximum amount subject to self-employment tax after adjustment for wages	$			
34. Self-employment income subject to tax—Line 30 or 33, whichever is smaller			$ None	
35. Self-employment tax—2¼ percent of amount on line 34. Enter here and as item 5 (B), page 1, Form 1040			$	

GPO 16—62533-2

FILL IN ITEMS BELOW BUT DO NOT DETACH

Schedule C-a (Form 1040)
U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

U. S. REPORT OF SELF-EMPLOYMENT INCOME

(For Federal Old-Age and Survivors Insurance)

1952

For calendar year 1952 or fiscal year beginning ____, 1952, and ending ____, 195__

State nature of business subject to self-employment tax Candy Store

ENTER HERE THE SOCIAL SECURITY ACCOUNT NUMBER OF THE PERSON NAMED BELOW

000	00	0000
117	03	3081

ENTER BELOW, NAME OF SELF-EMPLOYED PERSON AND BUSINESS ADDRESS

Acy Fennell
(Name)

1302 7th. Ave
ADDRESS (Street and number, or rural route)

New York, N.Y.
(City or town, postal zone number) (State)

Enter total net earnings from self-employment shown on line 30 above $ (2713.42)

Enter wages shown on line 32 above $ —

Enter self-employment income shown on line 34 above $ None

4-5

ITEMIZED DEDUCTIONS—FOR PERSONS NOT USING TAX TABLE ON PAGE 4 OR STANDARD DEDUCTION ON LINE 2 BELOW—
If Husband and Wife (Not Legally Separated) File Separate Returns and One Itemizes Deductions, the Other Must Also Itemize

	Describe Deductions and state to whom paid. If more space is needed, attach additional sheets.			
Contributions	Church dues & Building fund	$ 4 50	-	
	Red Cross	20	-	
	Heart fund	20	-	
	VARIOUS Other CHARITIES	210	-	700
	Allowable Contributions (not in excess of 20 percent of item 4, page 1)			$ [illegible]
Interest	A.B.C Credit union	$ 25	-	
	Total Interest			25
Taxes	Sales & Sundry TAXES	$ 75	-	
	Total Taxes			75
Losses from fire, storm, or other casualty, or theft		$		
	Total Allowable Losses (not compensated by insurance or otherwise)			
Medical and dental expenses *(if over 65 see Instructions)*	PREM ON HEALTH INSURANCE (H.I.P)	$ 140	-	
	TOTAL DENTAL BILL	150	-	
	Glasses for family	100		
	Drugs & Supplies	90		
	Net Expenses (not compensated by insurance or otherwise)	$ 480	-	
	Enter 5 percent of item 4, page 1, and subtract from Net Expenses	264	89	
	Allowable Medical and Dental Expenses. See Instructions for limitation			215 11
Miscellaneous *(See Instructions)*	Exp. To & from Wash. D.C	$ 525	-	
	Exp To Convention Chicago Ill	300	-	
	Supplies used for Job as Recreational Director	400	-	
	Total Miscellaneous Deductions			1625
	Total Deductions			$ 2640 11

TAX COMPUTATION—FOR PERSONS NOT USING TAX TABLE ON PAGE 4

1. Enter amount shown in item 4, page 1. This is your Adjusted Gross Income	$ 5297	24
2. If deductions are itemized above, enter total of such deductions. If deductions are not itemized *and line 1, above, is $5,000 or more:* (*a*) married persons filing separately enter $500, (*b*) all others enter 10 percent of line 1, but not more than $1,000	2640	11
3. Subtract line 2 from line 1. Enter the difference here. This is your Net Income	$ 2657	63
4. Multiply $600 by total number of exemptions claimed in item 1E, page 1. Enter total here	3600	
5. Subtract line 4 from line 3. Enter difference here. (If line 1 includes partially tax-exempt interest, see Instructions)	$ None	
If line 5 is not more than $2,000 ——		
6. Enter 22.2 percent of amount shown on line 5 and disregard lines 7, 8, and 9	$	
If line 5 is more than $2,000 ——		
7. **And you are a single person, a married person filing separately, or a head of household ——** Single persons and married persons filing separately use Tax Rate Schedule I on page 12 of Instructions to figure tax on amount on line 5; heads of household use Tax Rate Schedule II	$	
8. **And you are filing a joint return ——** (*a*) Enter one-half of amount on line 5	$	
(*b*) Use Tax Rate Schedule I on page 12 of Instructions to figure tax on amount on line 8 (*a*)		
(*c*) Multiply amount on line 8 (*b*) by 2	$	
9. If alternative tax computation is made, enter here tax from separate Schedule D	$	
Disregard lines 10, 11, and 12, and copy on line 13 the same figure you entered on line 6, 7, 8 (*c*), or 9, unless you used itemized deductions		
10. Enter here any income tax payments to a foreign country or U. S. possession (attach Form 1116)	$	
11. Enter here any income tax paid at source on tax-free covenant bond interest		
12. Add the figures on lines 10 and 11 and enter the total here	$	
13. Subtract line 12 from line 6, 7, 8 (*c*), or 9. Enter difference here and as item 5 (A), page 1	$ None	

16—65304-2

4-6K

Government's Exhibit 14

State of New York)
) ss:
County of New York)

Paul L. Klein, being first duly sworn, upon his oath deposes and says:

I reside at 101 Central Park West, New York, New York.

During most of 1951 through February, 1952 I was the Assistant Director of the Mayor's Committee on Unity. Part of my duties with this committee was the fostering of inter-racial unity. While so employed, I voluntarily contributed my time and services to assisting the Peoples Committee and the Tenants Protective Association Inc., both of which are organizations in Harlem operating for the civic good. In addition, I served as public relations advisor to Mr Powell on a voluntary basis.

In late 1952 I found myself in poor financial straits and approached Congressman A. C. Powell, Jr. for a loan. He did not have the money but through his influence I was loaned $3,000.00 by the Tenants Protective Association Inc. of which Acy Lennon and William J. Hampton are the principal officers. I signed a note evidencing this loan, but do not have a copy. I believe the note was made either to Acy Lennon and William J. Hampton or the Tenants Protective Association Inc. or jointly to all three. To the best of my recollection this note was a demand note and if it did carry interest, the rate was very low. I have made no payments whatsoever on this loan, but fully intend repaying it. I did not deposit this check but believe I cashed it.

The $3,000.00 received was a loan, and did not constitute any type of payment for services rendered, nor was it given to me to invest for Acy Lennon, William J. Hampton or A. C. Powell, Jr.

I have made this statement freely and voluntarily, without any threats or rewards or promise of reward having been made to me in return for it.

Paul L. Klein
Paul L. Klein

Sworn to before me
this 9th day of May 1955

Stanley J. Bulson
Special Agent

State of New York)
County of New York) ss:

Paul L. Klein, being first duly sworn, upon his oath deposes and says.

With refernce to an affidavit signed on this date, I wish to add that A. C. Powell Jr. and I are very close personal friends. In fact, after he had a heart ~~attack~~ condition in 1952, I lived with him at West Hampton Beach off and on for two months. I also assisted Powell in his campaign

Paul L. Klein

PAUL L. KLEIN

Sworn to before me this
9th day of May 1955

Harley J. Bulson

SPECIAL AGENT